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July 1, 2021

VIA ECFS

Marlene H. Dortch, Secretary
Federal Communications Commission
Office of the Secretary
45 L Street NE
Washington, DC 20554

Re: REDACTED FOR PUBLIC INSPECTION
***Petition for Declaratory Ruling that Nexstar Media Group, Inc.'s Relationship
with WPIX-TV Violates 47 C.F.R. § 73.3555(e) and the Nexstar/Tribune Order,
MB Docket No. _____***

Dear Ms. Dortch:

Enclosed is the Public version of the Petition for Declaratory Ruling ("Petition") of Comcast Cable Communications, LLC ("Comcast") regarding Nexstar Media Group, Inc.'s relationship to WPIX-TV. Comcast has also hand delivered today a Highly Confidential version of the Petition under a request for enhanced confidential treatment.

If you have any questions, please do not hesitate to contact me.

Respectfully submitted,



Jonathan A. Friedman
Counsel for Comcast Cable
Communications, LLC

Enclosures

cc: Michelle Carey
Maria Mullarkey

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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC**

In the Matter of)
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)
Petition for Declaratory Ruling that Nexstar)
Media Group, Inc.’s Relationship with) MB Docket No. 21-____
WPIX-TV Violates 47 C.F.R. § 73.3555(e))
and the *Nexstar/Tribune Order*)
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)
)

To the Commission:

PETITION FOR DECLARATORY RULING

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July 1, 2021

TABLE OF CONTENTS

I. INTRODUCTION AND SUMMARY.....	3
II. NEXSTAR IS ATTRIBUTED WITH WPIX AND, THEREFORE, IS IN VIOLATION OF THE NATIONAL TELEVISION OWNERSHIP RULE.....	8
A. Nexstar Has De Facto Control over WPIX.....	9
1. Nexstar Has Actual Control over the Programming, Programming Policies, and Personnel of WPIX	11
2. Nexstar Has Actual Control over WPIX’s Finances.....	13
3. Nexstar Has Asserted Actual and Total Control over the Retransmission Consent Rights to WPIX.....	15
4. Nexstar’s Option Agreements Relating to WPIX Further Demonstrate That Nexstar “Dominates the Business Affairs” of the Station	17
B. Even Without a Finding of De Facto Control, Nexstar’s Relationship to WPIX Is Attributable Under FCC Precedent	20
1. The Terms of the LPMA Give Nexstar an Attributable Interest in WPIX	21
2. The Existing Economic Relationships Between Nexstar and Mission Further Underscore Nexstar’s Attribution with WPIX.....	23
3. The Commission’s Prior Review of the Nexstar-Mission Relationship Is Distinguishable	25
III. NEXSTAR’S CONTROL OF WPIX AND MISSION, AND THE PROGRAMMING AND OTHER SERVICES PROVIDED TO WPIX, VIOLATE THE CONDITION IN THE <i>NEXSTAR/TRIBUNE ORDER</i>	27
A. FCC Approval of the Nexstar-Tribune Transaction Was Specifically Premised on Divestiture of WPIX in Order for Nexstar to Comply with the National Ownership Rule	27
B. Nexstar Executed a Multistep Plan to Circumvent the Divestiture Condition	30
IV. REMEDIES ARE NECESSARY AND APPROPRIATE TO BRING NEXSTAR INTO COMPLIANCE WITH THE NATIONAL OWNERSHIP RULE AND THE <i>NEXSTAR/TRIBUNE ORDER</i>	32
V. CONCLUSION	33

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EXHIBITS

WPIX Local Programming and Marketing Agreement	Exhibit 1
Declaration of Michael Nissenblatt	Exhibit 2
Letter from Dennis Thatcher, Mission Broadcasting, Inc., to Michael Nissenblatt, Comcast Cable Communications, LLC (Dec. 30, 2020) (“Mission Dec. 30 Letter”)	Attachment A
Letter from Dana Zimmer, Nexstar Media Group, Inc., to Michael Nissenblatt, Comcast Cable Communications, LLC (Apr. 8, 2021) (“Nexstar Apr. 8 Letter”)	Attachment B
Letter from Michael Nissenblatt, Comcast Cable Communications, LLC, to Dana Zimmer, Nexstar Media Group, Inc. (Apr. 16, 2021) (“Comcast Apr. 16 Letter”)	Attachment C
Letter from Dana Zimmer, Nexstar Media Group, Inc., to Michael Nissenblatt, Comcast Cable Communications, LLC (Apr. 26, 2021) (“Nexstar Apr. 26 Letter”)	Attachment D
Letter from Michael Nissenblatt, Comcast Cable Communications, LLC, to Dana Zimmer, Nexstar Media Group, Inc. (May 10, 2021) (“Comcast May 10 Letter”)	Attachment E
Letter from Dennis Thatcher, Mission Broadcasting, Inc., to Michael Nissenblatt, Comcast Cable Communications, LLC (June 15, 2021) (“Mission June 15 Letter”).....	Attachment F
Letter from Mitchell Kamin, Covington & Burling LLP, to Lynn Charytan, Comcast Cable Communications, LLC (June 17, 2021) (“Nexstar June 17 Letter”).....	Attachment G
Sample Post-Acquisition Mission Carriage Notices.....	Attachment H
Screenshot of Nexstar Website Station List (last accessed June 30, 2021)	Exhibit 3
Press Release, Nexstar Inc. Promotes KRON-TV’s Chris McDonnell to Vice President and General Manager of Its New York City Operations (Feb. 17, 2021)	Exhibit 4

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To the Commission:

PETITION FOR DECLARATORY RULING

Pursuant to Section 1.2 of the Commission’s rules,¹ Comcast Cable Communications, LLC (“Comcast”) respectfully requests that the Federal Communications Commission (“the Commission”) issue a declaratory ruling that (1) Nexstar Media Group, Inc. (“Nexstar”) is attributed with New York City station WPIX-TV (“WPIX”), under either a de facto control analysis or the more generalized “influence” standard underlying the broadcast attribution rules, and thus is in violation of the national television ownership rule’s national audience reach limit (“national ownership rule”);² (2) Nexstar’s divestiture of WPIX as ordered by the Commission has proven to be a sham in violation of the condition in the *Nexstar/Tribune Order*;³ and (3) remedies are necessary and appropriate to bring Nexstar into compliance (a) with the 39 percent cap on national audience reach (“national ownership cap”) established at the direction of

¹ 47 C.F.R. § 1.2.

² *Id.* § 73.3555(e).

³ *Tribune Media Company (Transferor) and Nexstar Media Group, Inc. (Transferee), et al.*, Memorandum Opinion and Order, 34 FCC Rcd. 8436 (2019) (“*Nexstar/Tribune Order*”).

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Congress by the Commission in the national ownership rule and (b) with the *Nexstar/Tribune Order*.⁴

It is critical that the Commission act promptly on this Petition for Declaratory Ruling (“Petition”). Comcast has a separate retransmission consent agreement with Mission Broadcasting, Inc. (“Mission”), the owner and licensee of WPIX, that governs Comcast’s carriage of WPIX. Nonetheless, Nexstar has asserted retransmission consent and other broad rights over WPIX, contrary to Nexstar’s express representations to the Commission during the Nexstar-Tribune transaction that it would (1) divest WPIX to stay under the national ownership cap and (2) not provide any services for the station post-transaction. Aside from undermining the FCC’s divestiture condition and violating the national ownership rule, if Nexstar has its way, Comcast’s retransmission consent fees for WPIX would increase dramatically, from {{

}}. Such added costs would ultimately be borne by Comcast customers. In addition, Nexstar has made clear that if Comcast refuses to pay the higher retransmission consent fees for WPIX that Nexstar demands, {{

}}. This could result not only in WPIX, but also possibly all other Nexstar stations that Comcast carries, going dark on Comcast’s cable systems serving the New York Designated Market Area (“DMA” or “market”) and many other systems serving millions of customers in other areas across the country. Expedited Commission action on the Petition is therefore necessary to protect consumers and the integrity of the Commission’s transaction review process and ownership rules.

⁴ See 47 C.F.R. § 1.2(a) (“The Commission may, in accordance with section 5(d) of the Administrative Procedure Act, on motion or on its own motion issue a declaratory ruling terminating a controversy or removing uncertainty.”).

I. INTRODUCTION AND SUMMARY

This Petition centers on Nexstar’s control over WPIX, a broadcast station in the New York City DMA licensed to Nexstar’s longtime sidecar, Mission.⁵ Nexstar is already the largest broadcast station group owner in the country. It is now exercising its control over WPIX, in violation of the national ownership cap, as well as the condition in the *Nexstar/Tribune Order* requiring Nexstar to divest WPIX and to refrain from providing any services to the station post-transaction.

More specifically, when Nexstar sought Commission approval to acquire the broadcast stations of Tribune Media (“Tribune”) in 2019, Nexstar agreed to divest WPIX and two other stations in order to stay under the 39 percent national ownership cap.⁶ As part of its application, Nexstar represented to the Commission that “Nexstar will not be providing ongoing services under sharing agreements (JSAs, local marketing agreements (‘LMAs’) or shared services agreements (‘SSAs’)) to any of the stations that it is divesting” and “no JSA, LMA or SSA is being assumed by Nexstar in the Transaction.” The Commission specifically referenced these representations in its approval order.

Shortly after closing the transaction, however, Nexstar pursued various paths to reacquire control of WPIX. First, Nexstar retained an option to repurchase WPIX after divesting it to Scripps, presumably in case the national ownership cap was increased or Nexstar divested

⁵ Broadcast stations that take on outsourced management functions for, and have other financial arrangements with, other stations are known as “sidecars.” See, e.g., Letter from Tom Wheeler, Chairman, FCC, to Hon. John D. Rockefeller IV et al., at 3 (Mar. 27, 2014), <https://docs.fcc.gov/public/attachments/DOC-326470A1.pdf> (noting that, aside from service agreements, sidecars also involve financial linkages between stations, and that “[t]aken in their totality, these sharing and financial arrangements can serve to transfer effective, if not complete, control of one supposedly ‘independently-owned’ station to [another] party”).

⁶ The national ownership rule was adopted to promote competition, localism, and viewpoint diversity by ensuring that a handful of broadcast station owners cannot control the broadcast programming for the entire nation. The Commission has found over the years that the statutorily directed national ownership rule is particularly important to promoting localism.

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enough other stations. Second, when it became clear months later that the Commission would not raise the national ownership cap, which would have allowed Nexstar to buy WPIX back in its own name, Nexstar assigned its purchase option to Mission, which then exercised the option. Third, Nexstar then executed a local programming and marketing agreement (“LPMA”) – considered a time brokerage agreement (“TBA”) or local marketing agreement (“LMA”) under the Commission’s rules – with Mission. The LPMA gives Nexstar the rights to program WPIX 24/7, to sell all of the station’s advertising time, and to receive 100 percent of the station’s revenues.⁷ As a result of these actions, Nexstar has done exactly what it told the Commission it would *not* do post-transaction – provide ongoing services under sharing agreements or shared services agreements to a divested station.

A review of the LPMA, in combination with other arrangements involving Nexstar, Mission, and WPIX,⁸ makes plain that Nexstar exercises de facto control over WPIX and is therefore attributed with the station. This puts Nexstar in violation of the national ownership rule. In determining de facto control, the Commission examines the totality of the circumstances and considers a range of factors, including, among other things, who controls the programming of the station, who controls personnel at the station, who controls the finances of, and receives profits from, the operation of the station, and who negotiates retransmission consent for the station. In these and other key respects, to quote from Commission precedent, Nexstar unquestionably “dominate[s] the management of the business affairs” of WPIX.⁹

⁷ Mission filed the agreement with the Commission in its application to acquire WPIX, and the agreement is currently available in WPIX’s online public inspection file maintained on the Commission’s website. A copy of the agreement is also included herein as Ex. 1.

⁸ Nexstar has disclosed such information in Commission applications and in Securities and Exchange Commission (“SEC”) filings.

⁹ *Terrier Media Buyer, Inc. Petition for Declaratory Ruling*, Declaratory Ruling, 34 FCC Rcd. 10544 ¶ 14 (MB 2019) (“*Terrier Media*”) (citing *Applications of Univision Holdings, Inc.*, Memorandum Opinion and Order, 7 FCC Rcd. 6672 ¶ 15 (1992) (“*Univision*”)).

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- **Control of Programming and Personnel:** Nexstar has control over the programming and programming policies of WPIX. Nexstar programs the station 24/7, and while Mission purportedly has the right to propose preemption of Nexstar programming, Nexstar retains ultimate say over whether WPIX airs any substitute programming that Mission may suggest. Likewise, Nexstar appears to have taken control of WPIX's personnel decisions, promoting a Vice President and General Manager from another Nexstar station to head WPIX's operations and report to a Nexstar – not Mission – executive.
- **Control over Finances:** Nexstar also exercises control over WPIX's finances and financial policies. Under the LPMA between Nexstar and Mission, Nexstar reaps all of the economic benefits of ownership of the station. Nexstar is entitled to all of the revenues of the station, including retransmission consent revenues that Nexstar demands be paid directly to it, and has exclusive control over the advertising of the station. Mission receives no compensation and may only seek reimbursement from Nexstar for any "reasonable" operational costs associated with the station. In short, Mission is stripped of any profit from WPIX's operations (or even its eventual sale). Nexstar alone earns all of the profits from the station and bears any risk of loss.
- **Control over Retransmission Consent:** Under the LPMA, Nexstar is entitled to all retransmission consent revenues owed to WPIX. In the months since Mission acquired WPIX, Nexstar has also asserted the right to negotiate retransmission consent on behalf of the station. It does not appear that the Commission had any knowledge of this claimed authority when it reviewed the Mission-WPIX transaction because the LPMA is silent on the issue. But based on some purported and undisclosed delegation of that right by Mission, Nexstar is now demanding {{
}}, even though Mission has a separate existing agreement that it negotiated with Comcast {{
}}. In fact, Nexstar now describes Mission as a {{
}} when it comes to retransmission consent rights for WPIX.
- **Other Examples of Nexstar's Dominance:** Nexstar has stated in its SEC disclosures that, under generally acceptable accounting principles ("GAAP") and the disclosure rules of the SEC, Nexstar "is deemed to have controlling financial interests" in Mission based, among other things, on Nexstar's LPMA with Mission, Nexstar's guarantee of the obligations incurred under Mission's senior secured credit facility, and Nexstar's purchase option to buy WPIX from Mission (which was executed prior to Mission's acquisition of WPIX). As to this purchase option, Mission cannot assign it to anyone without Nexstar's consent, and to the extent Nexstar ever acquires the station, Nexstar is guaranteed a "sweetheart" price compared to both what Mission paid Scripps for the station and its likely fair market value.

In short, Nexstar exercises de facto control over WPIX. But even if the Commission did not reach the question of de facto control, the Commission may find that the "panoply of relationships and agreements" between Nexstar and Mission "convey a degree of influence" that

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warrants attribution of WPIX to Nexstar. Under this “panoply” inquiry, the Commission will attribute an otherwise lawful TBA/LMA where the effect of its operation in light of other agreements leaves a licensee with “no economic incentive to refuse programming suggestions” by the broker. That is precisely the case here. Mission has “no economic incentive to refuse programming suggestions” by Nexstar for WPIX, and in fact has no incentive or ability to control WPIX’s programming. Rather, under the terms of the LPMA, Nexstar controls *all* of the programming and advertising on WPIX, and only compensates Mission for the “reasonable” operational expenses of the station. In other words, as a contractual matter, *all* financial upside of the operation of WPIX flows to Nexstar, while Mission is only recouping expenses that Nexstar deems “reasonable.” Such a compensation structure is the exact opposite of practically every other owner-manager relationship in the U.S. economy, whereby the manager is paid for its expenses (and often a management fee) and the owner is paid the revenue from the property.

In addition to finding Nexstar attributable with WPIX and thus in violation of the national ownership rule,¹⁰ the Commission should also find that Nexstar has violated the divestiture condition in the *Nexstar/Tribune Order*. In agreeing to the transaction, including the divestiture of WPIX and two other stations, the Commission specifically relied upon Nexstar’s representation that it would not be providing ongoing services under sharing agreements to any divested stations. Given this fact, it seems evident that the Commission would have objected to, or at least raised serious additional issues regarding, a proposal by Nexstar to (1) divest WPIX directly or indirectly to its long-time sidecar Mission or (2) otherwise enter into an LMA with Mission relating to WPIX or another divested station shortly after the Tribune transaction. This

¹⁰ As detailed further below, *infra* pp. 26-27, accounting for the UHF discount and excluding WPIX, Nexstar’s national audience reach is just below the 39 percent cap, the same as two years ago after the closing of the Tribune transaction. Based on recent calculations by the Congressional Research Service, if WPIX is attributed to Nexstar, its national audience reach rises to 44 percent, including the UHF discount (and 68.1 percent without it).

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practice is not only outlawed by common Department of Justice (“DOJ”) broadcast divestiture provisions, but was also one of several factors that served to scuttle the Sinclair/Tribune transaction.¹¹ The record indicates that some public commenters sought, and others certainly would have demanded, such additional scrutiny.

Nexstar appears to have pulled a bait-and-switch in its interactions with WPIX. Similar to what the Commission said about the Sinclair-Tribune transaction when designating those applications for a formal hearing, “in view of the longstanding and intertwined relationships between” Nexstar and Mission, the subsequent record in the Nexstar-Tribune transaction “raises significant questions as to whether those . . . divestitures were in fact ‘sham’ transactions.” The Commission should conclude that Nexstar has engaged in such sham transactions here and hold it to account.

Among other things, given the circumstances, the Commission should impose remedies to ensure that Nexstar complies with both the national ownership rule and the divestiture condition of the *Nexstar/Tribune Order*. In similar situations, the Commission has required parties to bring service agreements into compliance with the media ownership rules, ordered the parties to eliminate existing financial relationships, and imposed structural and behavioral conditions on a broker’s ability to negotiate retransmission consent on behalf of a licensee. The Commission should consider similar remedies here.

Finally, it is critical that the Commission act promptly on this Petition to prevent Nexstar from asserting retransmission consent and other broad rights over WPIX. If left unchecked, Nexstar’s course of conduct would either substantially increase consumer prices or cause WPIX

¹¹ See *Applications of Tribune Media Company (Transferor) and Sinclair Broadcast Group, Inc. (Transferee) for Transfer of Control of Tribune Media Company and Certain Subsidiaries, WDCD(TV) et al. for Assignment of Certain Licenses from Tribune Media Company and Certain Subsidiaries*, Hearing Designation Order, 33 FCC Rcd. 6830 (2018) (“*Sinclair/Tribune Hearing Designation Order*”).

and other Nexstar broadcast stations to be removed from millions of Comcast customer homes across the country. In either case, it would also reveal the Commission’s ownership rules to be toothless.

II. NEXSTAR IS ATTRIBUTED WITH WPIX AND, THEREFORE, IS IN VIOLATION OF THE NATIONAL TELEVISION OWNERSHIP RULE

The Commission’s national television ownership rule prohibits a “grant, transfer or assignment of [a broadcast TV] license [that] would result in [a station group] or any of its stockholders, partners, members, officers or directors having a cognizable interest in television stations which have an aggregate national audience reach exceeding thirty-nine (39) percent.”¹² The Commission has explained that the broadcast ownership rules “are designed to prevent any party from influencing the broadcasting practices of more than a predetermined number of outlets in various geographic configurations.”¹³

In 1985, the Commission “adopted a national audience reach cap, restricting the total percentage of households a single entity could reach nationwide,” finding a national cap “essential . . . to limit the growth of the largest group owners while giving smaller group owners some opportunity to expand.”¹⁴ To account for changes in the media marketplace, Congress directed the Commission to raise the national ownership cap, first in 1996 and again in 2004. Each time Congress affirmed the importance of maintaining ownership limits at the national

¹² 47 C.F.R. § 73.3555(e)(1).

¹³ *Multiple Ownership of AM, FM, TV, and Cable TV Stations*, 49 Fed. Reg. 19482, 19496 (1984) (“1984 Attribution Notice”); see also *Amendment of Sections 3.35, 3.240 and 3.636 of the Rules and Regulations Relating to Multiple Ownership of AM, FM and Television Broadcast Stations*, Report and Order, 18 F.C.C. 288 ¶ 10 (1953) (“Simply stated, the fundamental purpose of this facet of the multiple ownership rules is to promote diversification of ownership in order to maximize diversification of program and service viewpoints as well as to prevent any undue concentration of economic power contrary to the public interest.”).

¹⁴ *Amendment of Section 73.3555(e) of the Commission’s Rules, National Television Multiple Ownership Rules*, Report and Order, 31 FCC Rcd. 10213 ¶ 4 (2016) (citing *Amendment of Section 73.3555 [formerly Sections 73.35, 73.240 and 73.636] of the Commission’s Rules Relating to Multiple Ownership of AM, FM and Television Broadcast Stations*, Memorandum Opinion and Order, 100 F.C.C.2d 74 ¶¶ 33-44 (1985)).

level.¹⁵ Along with other public interest objectives, the Commission has found over the years that the national ownership rule has a particular role in promoting localism, specifically fostering “the important consideration of program selection by local stations.”¹⁶

As shown below, the Commission should find that Nexstar is attributed with WPIX as a result of the LPMA and other arrangements Nexstar has with its longtime sidecar Mission, and thereby is in violation of the 39 percent national ownership cap. First, Nexstar has de facto control over WPIX programming, personnel, and finances, and Nexstar’s actions in the months since Mission acquired WPIX make clear that Nexstar dominates the business affairs of WPIX. Second, even absent a finding of de facto control, the Commission can conclude that the LPMA and other arrangements between Nexstar and Mission “convey a degree of influence” sufficient to warrant attribution, and thereby put Nexstar in violation of the national cap.

A. Nexstar Has De Facto Control over WPIX

Section 310(d) of the Communications Act prohibits an entity from transferring de facto or de jure control of a station license, or any rights thereunder, without prior Commission consent.¹⁷ A “finding of *de facto* control creates an attributable interest in the station

¹⁵ See Telecommunications Act of 1996, Pub. L. No. 104-104, § 202(c)(1), 110 Stat. 56, 111 (increasing the national ownership cap from 25 percent to 35 percent); Consolidated Appropriations Act, 2004, Pub. L. No. 108-199, § 629, 118 Stat. 3, 99-100 (increasing the national ownership cap from 35 percent to 39 percent).

¹⁶ See 2002 Biennial Regulatory Review-Review of the Commission’s Broadcast Ownership Rules and Other Rules Adopted Pursuant to Section 202 of the Telecommunications Act of 1996, *et al.*, Report and Order and Notice of Proposed Rulemaking, 18 FCC Rcd. 13620 ¶ 584 (2003) (“2002 Biennial Review Order”).

¹⁷ See 47 U.S.C. § 310(d) (“No construction permit or station license, or any rights thereunder, shall be transferred, assigned, or disposed of in any manner, voluntarily or involuntarily, directly or indirectly, or by transfer of control of any corporation holding such permit or license, to any person except upon application to the Commission and upon finding by the Commission that the public interest, convenience, and necessity will be served thereby.”); *Entertainment Media Trust, Dennis J. Watkins, Trustee, et al.*, Hearing Designation Order and Notice of Opportunity for Hearing, 34 FCC Rcd. 4351 ¶ 32 (MB 2019) (“*Entertainment Media Trust*”). As shown in the Petition, while Mission’s application to acquire WPIX was approved by the Commission, the extent of Nexstar’s control over the station was not disclosed. In addition to its disregard of other Commission rules, Nexstar (and Mission, at Nexstar’s direction) have run afoul of Section 310(d), as well.

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licensee[.]”¹⁸ In determining de facto control, the Commission examines the totality of the circumstances on a case-by-case basis and considers a range of factors,¹⁹ including: (1) who controls daily operations; (2) who carries out policy decisions, especially policies regarding programming, personnel, and finances; (3) who is in charge of employment, supervision, and dismissal of personnel; (4) who is in charge of paying financial obligations, including operating expenses; and (5) who receives monies and/or profits from the operation of the station.²⁰

In a de facto control inquiry, “[t]he primary issue is the power to dominate the management of the business affairs of a licensee or applicant.”²¹ Although a licensee may delegate day-to-day operations without surrendering de facto control, the Commission will examine which entity establishes policies governing the station’s programming, personnel, and

¹⁸ *Consent to Transfer Control of Certain License Subsidiaries of NBI Holdings, LLC to Terrier Media Buyer, Inc., et al.*, Memorandum Opinion and Order, 34 FCC Rcd. 10554 ¶ 6, n.20 (MB 2019); *see also* 47 C.F.R. § 73.3555 note 1 (“The words ‘cognizable interest’ as used herein include any interest, direct or indirect, that allows a person or entity to own, operate or control, or that otherwise provides an attributable interest in, a broadcast station.”); *Corporate Ownership Reporting and Disclosure by Broadcast Licensees, et al.*, Report and Order, 97 F.C.C.2d 997 ¶ 2 (1984) (“[T]he attribution rules constitute the mechanism by which the multiple ownership rules are given practical effect. . . . In that role, they represent the Commission’s judgment regarding what ownership interest in or relation to a licensee will confer on its holder that degree of influence or control over the licensee and its facilities as should subject it to limitation by the multiple ownership rules.” (internal quotations omitted)).

¹⁹ The Commission has consistently held that determining whether a party holds or will hold de facto control over a licensee or an applicant “transcends formulas, for it involves an issue of fact which must be resolved by the special circumstances presented.” *Stereo Broadcasters, Inc. Station WLIR (FM), Garden City, N.Y. for Renewal of Broadcast License*, Memorandum Opinion and Order, 55 F.C.C.2d 819 ¶¶ 7, 32 (1975) (“*Stereo Broadcasters*”) (designating for hearing substantial and material questions of fact regarding the possible unauthorized transfer of control of a station “and/or the failure of the licensee to exercise adequate control and supervision over the station”); *see also Terrier Media* ¶¶ 14-15, n.66 (finding Apollo Global Management retained de facto control over applicant Terrier Media given, among other things, that Terrier would receive all of its financing via an Apollo-affiliated fund and “all controlling individuals at Terrier Media and its parent would be simultaneously employed by both companies and financially dependent upon” Apollo).

²⁰ *See, e.g., Entertainment Media Trust* ¶ 31-32 (designating applications for hearing where a third party likely exercised de facto control; the third party provided all the funds for acquisition of the stations and participated in negotiations; and the licensee identified the third party as its d/b/a in a trust, certificate of liability insurance, and W-9 Form).

²¹ *See Terrier Media* ¶ 14 (citing *Univision* ¶ 15); *Applications of Benjamin L. Dubb, et al.*, 16 F.C.C. 274 ¶ 3 (1951) (“[W]e are governed chiefly by the demonstration of [third party’s] power to dominate the management of the [licensee’s] corporate affairs. . . . [C]ontrol in fact is control in law.”).

finances to determine questions of control.²² Failure to exercise ultimate control over *any* one of these three categories is sufficient to find that another entity has de facto control.²³ Each of these factors demonstrates that Nexstar has de facto control over WPIX in this case.

1. Nexstar Has Actual Control over the Programming, Programming Policies, and Personnel of WPIX

WPIX is one of 29 full-power TV stations that Mission owns across 27 markets, including affiliates of all Big Four television networks as well as the CW and MyNetwork. As detailed below, Mission has extensive and longtime relationships with Nexstar. The most relevant relationship is spelled out, in part, in the LPMA between Nexstar and Mission governing the operation and management of WPIX. The LPMA is a TBA, alternatively referred to as a LMA under the Commission’s rules.²⁴

The LPMA makes clear that Nexstar has ultimate control over the programming and programming policies of WPIX. Under the LPMA, Nexstar has the right to program “*all* of the airtime on the Station (including the primary and all secondary program streams and ancillary uses) for programming provided by [Nexstar] for broadcast on the Station *twenty-four (24) hours per day, seven (7) days per week.*”²⁵ The LPMA includes language suggesting that Mission

²² See *Application of WGPR, Inc. & CBS, Inc. for Assignment of License of WGPR-TV, Detroit, Michigan*, Memorandum Opinion and Order, 10 FCC Rcd. 8140 ¶ 11 (1995) (“The touchstone of control, in short, is not divining who executes the station’s programming, personnel and finance responsibilities, but who establishes policies governing the three areas and exercises ultimate control.”); *Kenneth Paul Harris, Sr.*, Notice of Apparent Liability for Forfeiture, 15 FCC Rcd. 12933 ¶ 4 (EB 2000) (explaining that “the standards by which [the Commission] measure[s] control are equally applicable in situations involving ‘time brokerage’ or ‘management agreements’”).

²³ See *Hicks Broadcasting of Indiana, LLC, et al.*, Hearing Designation Order, 13 FCC Rcd. 10662 ¶ 50 (1998) (“Control over any one of the areas of personnel, programming and finances would be sufficient for a finding of *de facto* control.”); see also *Terrier Media* ¶ 15 n.66 (noting that “the Commission has previously found that control over any one of the areas of personnel, programming, and finances is sufficient for a finding of *de facto* control”).

²⁴ Local Programming and Marketing Agreement between Mission Broadcasting, Inc. and Nexstar Inc. (Dec. 30, 2020), <https://publicfiles.fcc.gov/api/manager/download/3dd386c5-6769-392f-2afa-341d914cfb99/f7ebdc86-4c49-4eaf-99a5-46967f553ec4.pdf> (Ex. 1); see 47 C.F.R. § 73.3555 note 2(j).

²⁵ LPMA § 2 (emphasis added) (Ex. 1).

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“retain[s] control” over WPIX programming,²⁶ but this verbiage is a matter of form over substance. It is well settled that the Commission will look beyond the mere wording of an agreement to determine effectively where actual control resides.²⁷

Although Mission has the right to preempt or reject Nexstar programming under the LPMA, the substitute programming must be “of equal or greater value to [Nexstar].”²⁸ The LPMA contains no criteria for determining the value of substitute programming to Nexstar. In effect, then, this qualifying language means that Nexstar, not Mission, has final say over what programming may be aired. Put differently, Nexstar has sole discretion to decide whether the substitute programming proposed by Mission, the *licensee*, is equally or more valuable to *Nexstar, the broker*.

Nexstar appears to have taken full control of WPIX’s personnel decisions, too. The LPMA states that “[Mission] shall have full authority, power and control over the operation of the Station and over all persons working at the Station during the Term.”²⁹ But there is little doubt that this is mere boilerplate. In February 2020, Nexstar issued a press release touting the promotion of a *Nexstar* employee to lead WPIX’s broadcast “operations.”³⁰ The Nexstar

²⁶ See, e.g., *id.* § 5(a) (“Licensee will employ personnel as necessary to comply with applicable Laws and retain control over the policies, programming and operations of the Station”); *id.* § 5(b) (describing Mission’s rights to reject, substitute, refuse, or preempt Nexstar programming).

²⁷ See, e.g., *Stereo Broadcasters* ¶¶ 7-9 (finding that, while the wording of the agreement was “clear and unequivocal” that absolute control of the station remained with the President and Chairman of the Board, after looking “beyond the four corners” of the agreement to determine where control resided, a third party’s exercise of authority rose to a level that warranted further scrutiny to resolve claims of an unauthorized transfer of control); *Applications of George E. Cameron, Jr. Communications (KROQ) Burbank, California for Renewal of License, et al.*, Decision, 91 F.C.C.2d 870 ¶ 29 (1982) (“In determining whether a transfer of control has occurred within the meaning of the Act, the Commission looks beyond mere title or legal control and considers the totality of the circumstances to ascertain where actual control resides.”).

²⁸ LPMA § 5(b) (Ex. 1).

²⁹ See *id.* § 5(a).

³⁰ Press Release, Nexstar Inc. Promotes KRON-TV’s Chris McDonnell to Vice President and General Manager of Its New York City Operations (Feb. 17, 2021), <https://www.nexstar.tv/chris-mcdonnell-wpix-vp-gm-nexstar-2021/> (attached as Ex. 4).

employee will not only “oversee” the “relationship with Mission,” but also will report to Nexstar’s Broadcast President, not to a Mission executive.³¹ In assessing questions of control over “daily operations” and “employment, supervision, and dismissal of [station] personnel,” the Commission will “consider such factors as whether someone other than the licensee holds themselves out to station staff and/or the public as one who controls station affairs.”³² Nexstar appears to have done that here.

2. Nexstar Has Actual Control over WPIX’s Finances

Nexstar also exercises control over WPIX’s finances. Under the LPMA, Nexstar reaps *all* of the economic benefits of ownership of the station. {{

}}³³ under the LPMA, Nexstar is “entitled to all revenues of the Station (including without limitation all revenues from the Station’s website, towers and retransmission consent, if any).”³⁴ Moreover, “[Nexstar] will be exclusively responsible for the sale of advertising on the Station (including the setting of all rates related thereto) and for the collection of accounts receivable arising therefrom.”³⁵

Although the LPMA says that Mission has responsibility for paying for the operation of the station,³⁶ Mission apparently receives no actual revenues from WPIX to do so. Instead,

³¹ *Id.*

³² *Entertainment Media Trust* ¶ 32.

³³ See Nexstar April 26 Letter at 1 (Ex. 2, Attach. D).

³⁴ LPMA § 3 (Ex. 1); *see also* Nexstar Media Group, Inc., Annual Report (Form 10-K), at F-10 (Mar. 1, 2021), https://www.sec.gov/ix?doc=/Archives/edgar/data/1142417/000156459021009747/nxst-10k_20201231.htm (“Nexstar 10-K”) (“Under [local service] agreements, Nexstar has received substantially all of the consolidated VIEs’ available cash, after satisfaction of operating costs and debt obligations. Nexstar anticipates it will continue to receive substantially all of the consolidated VIEs’ available cash, after satisfaction of operating costs and debt obligations.”). In SEC filings, Nexstar refers to Mission and other sidecars as variable interest entities (“VIEs”). See Nexstar 10-K at 8.

³⁵ LPMA § 3 (Ex. 1).

³⁶ *Id.* § 7 (describing Mission’s financial responsibility for “maintenance of all studio and transmitter equipment and all other operating costs required to be paid to maintain the Station’s broadcast operations in accordance with FCC rules and policies and applicable law”; “all utilities supplied to its main studio and transmitter

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Mission must seek reimbursement from Nexstar for “reasonable operating and maintenance expenses of the Station incurred by Licensee in the ordinary course of business.”³⁷ The LPMA does not define “reasonable operating and maintenance expenses,” and the LPMA is silent as to whether the expenses that Mission would incur when substituting preempted Nexstar programming would be reimbursable. Similar to Nexstar’s final say over WPIX’s programming, Nexstar apparently retains the final say regarding what are “reasonable” operational expenses. This means that, absent Nexstar’s approval, Mission would not even have the financial means for exercising its limited, nominal right to preempt Nexstar’s choice of WPIX’s programming.

Further, because the LPMA only provides a means for Mission to recoup its “reasonable” expenses as approved by Nexstar, Mission is stripped of any profit from WPIX’s operations or even its eventual sale (as explained below). Nexstar alone earns all of the profits from the station and bears any risk of loss. The Commission has found de facto control to exist where a broker “rather than the licensee” held “the risk of loss and potential for profit from the operation of the stations.”³⁸ That is precisely the situation here.

sites”; and “salaries, taxes, insurance and related costs” for “all personnel necessary for the broadcast transmission of the Programs (once received at its transmitter site),” the last possible point in the chain of steps necessary to put programming on the air).

³⁷ *Id.* at Schedule A.

³⁸ *KTDK(FM), Sanger, TX Application for Consent to Assignment of License*, Order, 28 FCC Rcd. 13662, 13664 (MB 2013) (citing *King Broadcasters, Inc.*, Notice of Apparent Liability, 13 FCC Rcd. 25317, 25337 (MMB 1998) (“*King*”). In *King*, the Mass Media Bureau rejected claims that the arrangements at issue were merely a time brokerage agreement and joint sales agreement. *King*, 13 FCC Rcd. at 25337. Rather, the Bureau found that, by the operation of the agreements, the licensee had ceded control of station operations to one party and gave a second party the right to all advertising sales from the licensee’s stations. *Id.* at 25331-38. The Bureau concluded that the “financial terms are indicative of a joint venture in the construction, operation, and acquisition of [the licensee’s stations]” such that the licensee had engaged in an unauthorized transfer of control of the station. *Id.* at 25337.

3. Nexstar Has Asserted Actual and Total Control over the Retransmission Consent Rights to WPIX

By asserting control over WPIX's retransmission consent rights, Nexstar has eliminated any doubt that it completely dominates Mission and the station. Nexstar is now demanding {{

}}.³⁹ But having set upon this course of action, Nexstar no longer even pretends that Mission has any agency over Mission's own contracts. In April 2021 correspondence to Comcast, Nexstar openly asserted that {{

}}⁴⁰ And, in its most recent correspondence with Comcast, Nexstar treats Mission as a mere bystander to WPIX's affairs, stating:

³⁹ Nissenblatt Decl. ¶ 3 (Ex. 2). {{

}} *See id.*

⁴⁰ *See, e.g.,* Nexstar Apr. 26 Letter at 1 (Ex. 2, Attach. D) (emphasis added). {{

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In Nexstar’s view, therefore, Mission, *the licensee*, is now simply an outsider with effectively zero control over the station.⁴²

Nexstar’s strong-arm maneuver likewise confirms that Nexstar is the entity reaping all of the financial benefits from WPIX, not Mission. Through its purported control over WPIX’s retransmission rights, Nexstar is hoping to force Comcast customers to pay significant new retransmission consent fees for WPIX, {{

}}.⁴³ Under the LPMA, every dollar would go directly to Nexstar, without a penny to Mission.

Nexstar’s actions should be news to the Commission, as it was to Comcast. Although the LPMA assigns retransmission consent *revenues* for WPIX to Nexstar, the LPMA is *silent* as to control over the station’s retransmission consent *rights*. It thus appears that the Commission was

⁴¹ Nexstar June 17 Letter at 2 (Ex. 2, Attach. G) (emphasis original).

⁴² Nexstar also manifests this view in its public representation of station holdings. Listed first among all “Stations” is WPIX. See Nexstar Media Group, Inc., Stations, <https://www.nexstar.tv/stations/> (last accessed June 30, 2021) (reproduced as Ex. 3).

⁴³ {{

}}. See Nissenblatt Decl. ¶¶ 8-9 (Ex. 2). Comcast has contested those claims in an exchange of correspondence with Nexstar. See Comcast Apr. 16 Letter (Ex. 2, Attach. C); Comcast May 10 Letter at 2 (Ex. 2, Attach. E); Nissenblatt Decl. ¶¶ 11, 13 (Ex. 2).

never told that Nexstar would ultimately exercise full control over WPIX when the Commission considered Mission’s application to acquire WPIX from Scripps. Nor was this arrangement disclosed to Comcast; to the contrary, as noted, {{

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To be clear, Comcast does not seek a Commission ruling with respect to which retransmission consent agreement should govern Comcast’s carriage of WPIX. However, Nexstar’s conduct and contractual demands demonstrate its complete domination of WPIX. These issues are thus directly germane to, and intertwined with, the Petition’s request for declaratory rulings on Nexstar’s control/attribution of WPIX, violations of the national ownership rule and FCC divestiture order, as well as appropriate remedial measures.

4. Nexstar’s Option Agreements Relating to WPIX Further Demonstrate That Nexstar “Dominates the Business Affairs” of the Station

Nexstar’s unilateral option agreement to purchase WPIX from Mission (“Nexstar-Mission Option”) further evidences Nexstar’s domination of WPIX. The Commission need only compare the Nexstar-Mission Option to the option terms that Nexstar negotiated at arm’s length with Scripps (“Scripps Option”), pursuant to which Mission purchased WPIX. Both options feature the same \$75 million “Base Purchase Price.” But the two options’ terms of the “Additional Purchase Price” – accounting for interest accrued on the Base Purchase Price during the period in which the option remains unexercised – differ dramatically. The Additional Purchase Price of the Scripps Option featured an interest rate of 6.5 percent during the first year

⁴⁴ {{

D). }} See Nexstar Apr. 26 Letter at 1 (Ex. 2, Attach.

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and 13 percent thereafter, whereas the Mission-Nexstar Option features a flat, much lower 3.5 percent interest rate that is far more favorable to Nexstar.⁴⁵

Moreover, pursuant to the terms of the Mission-Nexstar Option, Nexstar is guaranteed a purchase price *lower than the \$83.738 million that Mission actually paid Scripps for WPIX*,⁴⁶ and almost certainly well below what WPIX could receive on the open market.⁴⁷ Even putting aside inflation and any theoretical increase in WPIX's fair market value, Mission is *guaranteed to lose money* on its sale of WPIX to Nexstar. By the same token, in orchestrating the intermediate sale of WPIX to Mission, Nexstar is *guaranteed to save money* by purchasing WPIX from Mission compared to what it would have had to pay to Scripps.

“While [the Commission] traditionally do[es] not examine the purchase price in a station sale,” it will, in a de facto control inquiry, “consider such matters where it appears from other facts that the arrangement may not have been an arms-length transaction between the parties.”⁴⁸

⁴⁵ See File No. BALCDT - 20200901AAB, Ex. 13, Attach. 13, Scripps Option Agreement § 1.3(b), https://licensing.fcc.gov/cdbs/CDBS_Attachment/getattachment.jsp?appn=101819389&qnum=5120©num=1&exhnum=1 (“Scripps Option”); *id.*, Ex. 17, Attach. 17, Nexstar-Mission Option Agreement § 1.3(b), https://licensing.fcc.gov/cdbs/CDBS_Attachment/getattachment.jsp?appn=101819389&qnum=5160©num=1&exhnum=2 (“Nexstar-Mission Option”). In effect, under the terms of the Nexstar-Mission Option, Nexstar is benefitting from an interest rate that is almost half of what it would have owed Scripps during the first year of the option and almost a quarter of what it would have owed Scripps thereafter.

⁴⁶ The E.W. Scripps Company, Annual Report (Form 10-K), at F-12, F-61 (Feb. 26, 2021), <https://www.sec.gov/ix?doc=/Archives/edgar/data/0000832428/000083242821000019/ssp-20201231.htm> (“The option price was \$75 million plus accrued interest, to be calculated on the period between September 19, 2019, the purchase date of WPIX, and the option sale closing date. The transaction closed on December 30, 2020 for cash consideration of \$83.7 million,” which “[i]nclud[ed] interest income of \$7.6 million.”); *cf.* Nexstar-Mission Option § 1.3(b) (capping the “Additional Purchase Price” Mission could receive from Nexstar on top of the base \$75 million price at \$7.5 million, for a maximum price of \$82.5 million).

⁴⁷ According to the non-partisan Congressional Research Service, “[r]esearch firm S&P Global estimates that WPIX generated about \$144.6 million in revenue in 2020. As a point of comparison, S&P Global estimates that WXTV, another New York station [that is not a Big Four affiliate], generated \$173 million in 2020, and that an investor group purchased the station’s assets for \$491.1 million in December 2020.” Congressional Research Service, *Federal Communications Commission (FCC) Media Ownership Rules* 19 (June 1, 2021), <https://fas.org/sgp/crs/misc/R45338.pdf> (“June 2021 CRS Report”).

⁴⁸ Edwin L. Edwards, Sr. (Transferor) and Carolyn C. Smith (Transferee) for Consent to the Transfer of Control of Glencairn, Ltd., parent entity of Baltimore (WNUV-TV) Licensee, Inc. Licensee of Television Station WNUV-TV, Baltimore, Maryland, et al., Memorandum Opinion and Order and Notice of Apparent Liability, 16 FCC Rcd. 22236 ¶ 26 (2001) (“Sinclair/Glencairn”).

Indeed, the Commission has found de facto control to exist where, among other indicia of control, an LMA broker (Sinclair) acquired stations “for a small fraction of their value” pursuant to an option agreement it had with its sidecar (Glencairn, later renamed Cunningham Broadcasting), the licensee of the stations.⁴⁹

And Nexstar’s “domination of the business affairs” of WPIX goes even further. Mission, as “Option Seller,” cannot assign the option agreement without Nexstar’s consent; yet, Nexstar, as “Option Buyer,” can freely assign the agreement.⁵⁰ Thus, even if Mission tried to sell WPIX at fair market value to a third-party buyer to avoid the eventual financial loss associated with Nexstar exercising its option, Mission could only do so *with Nexstar’s permission*. This arrangement, in combination with the financial terms of the LPMA, deprives Mission not only of the opportunity to profit from the operation of WPIX but also from the eventual sale of the station.

While these various arrangements leave no doubt about Nexstar’s control of WPIX, Nexstar’s disclosures to the SEC underscore that this domination extends to Mission more generally. As Nexstar has reported in its most recent Form 10-K, under GAAP and the disclosure rules of the SEC, Nexstar is “deemed . . . to have controlling financial interests” in Mission and its other sidecar station groups (called “variable interest entities” or “VIEs”) because of (1) “the local service agreements Nexstar has with the consolidated VIEs’ stations, (2) Nexstar’s guarantee of the obligations incurred under Mission’s senior secured credit facility,

⁴⁹ *Id.* ¶¶ 23-27; *see also Sinclair/Tribune Hearing Designation Order* ¶ 17 (finding that “sales terms that are atypically favorable to the buyers (specifically, purchase price, financing, and contractual agreements)” raised substantial and material questions of fact as to Sinclair, the divesting party and proposed services broker, was in fact the “real party in interest” in station divestiture applications); *id.* ¶ 23 (“In particular, we question the close relationship between Sinclair and Cunningham, an existing loan guarantee between Sinclair and Cunningham, and the proposed purchase price.”).

⁵⁰ Nexstar-Mission Option § 5.3.

(3) Nexstar having power over significant activities affecting the consolidated VIEs’ economic performance, including budgeting for advertising revenue, certain advertising sales and, in some cases, hiring and firing of sales force personnel and (4) purchase options granted by each consolidated VIE which permit Nexstar to acquire the assets and assume the liabilities of [a station, including WPIX] subject to FCC consent.”⁵¹

For all of these reasons, the Commission should find that Nexstar has de facto control over WPIX and is therefore attributed with the station.

B. Even Without a Finding of De Facto Control, Nexstar’s Relationship to WPIX Is Attributable Under FCC Precedent

Beyond the question of de facto control, however, the Commission could alternatively find that the LPMA and other Nexstar-Mission agreements “convey a degree of influence . . . sufficient to warrant” attribution of WPIX to Nexstar.⁵² The Commission has found that even absent a bright-line rule, “the panoply of relationships and agreements between” a broker and a sidecar could “provide [a broker] with the incentive and means to exert influence over the core operations of [a licensee], which, under Commission precedent, could be the basis for a finding that [the licensee’s] stations should be attributed to [the broker] for purposes of determining compliance with our ownership rules.”⁵³ Those circumstances exist here.

⁵¹ See Nexstar 10-K at 8.

⁵² See 2002 Biennial Review Order ¶ 318 (finding that certain radio JSAs convey a level of influence sufficient to warrant attribution but that licensees with stations subject to such agreements do not thereby abdicate control); *Sinclair/Tribune Hearing Designation Order* ¶ 16 (explaining that the Commission’s attribution rules “seek to identify those ownership interests that subject the holders to compliance with the multiple and cross-ownership rules because they confer a degree ‘of influence or control such that the holders have a realistic potential to affect the programming decisions of licensees or other core operating functions.’”).

⁵³ *Sinclair/Tribune Hearing Designation Order* ¶ 26.

1. The Terms of the LPMA Give Nexstar an Attributable Interest in WPIX

In the context of shared services agreements, such as LMAs, the Commission may “find that the terms of an individual television [services agreement] (either alone or in conjunction with other agreements) rise to the level of attribution,” even when an agreement is otherwise permissible under a bright-line rule.⁵⁴ Under this “panoply” inquiry, the Commission will attribute an otherwise lawful LMA where the effect of its operation in light of other agreements leaves a licensee with “no economic incentive to refuse such programming suggestions” by the broker.⁵⁵

In *Ackerley*, the case articulating this panoply standard, the Commission examined whether an existing LMA and JSA between station licensees Ackerley and Seal Rock created an attributable interest for Ackerley in Seal Rock that would violate the Commission’s ownership rules. Following a series of requests for information from FCC staff, the Commission determined that, while the LMA and JSA did not in and of themselves create a violation of the Commission’s rules, an examination of the totality of the relationship between the parties showed that Ackerley effectively exercised complete control over the programming and advertising of the Seal Rock station. Seal Rock had no “economic incentive to refuse . . . programming suggestions by Ackerley,”⁵⁶ nor did Seal Rock have any economic incentive to control the programming not provided by Ackerley under the LMA.⁵⁷ As a result, the

⁵⁴ 2014 *Quadrennial Regulatory Review, et al.*, Order on Reconsideration and Notice of Proposed Rulemaking, 32 FCC Rcd. 9802, ¶ 105 n.307 (2017) (citing *Shareholders of Ackerley Group, Inc., et al.*, Memorandum Opinion and Order, 17 FCC Rcd. 10828 (2002) (“*Ackerley*”)).

⁵⁵ See *Ackerley* ¶ 32; *Applications for Consent to Transfer of Control from Shareholders of Belo Corp. to Gannett Co., Inc., et al.*, Memorandum Opinion and Order, 28 FCC Rcd. 16867 ¶ 28 (MB 2013) (“The Commission has stated that it must determine based on the record whether a licensee’s profits align with its operation of the station. In other words, we must determine whether a licensee has the economic incentive to control its own programming.”).

⁵⁶ *Ackerley* ¶¶ 32-33.

⁵⁷ *Id.*

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Commission concluded that Ackerley was attributed with the Seal Rock station, and thus in violation of the ownership rules.⁵⁸

While *Ackerley* involved a violation of the local ownership rules, the Commission has applied the same panoply standard to attribution under the media ownership rules generally, including attribution in the context of the national ownership rule. For example, in the *Sinclair/Tribune Hearing Designation Order*, the Commission considered Sinclair’s applications to divest WGN-TV (Chicago), KDAF-TV (Dallas), and KIAH-TV (Houston) to sidecars pursuant to out-of-market LMAs and other “entanglements” with Sinclair to comply with the national ownership rule. In its analysis, the Commission made clear that “under *Ackerley*, the Commission could still find that the terms of an individual television [services agreement] (either alone or in conjunction with other agreements) rise to the level of attribution.”⁵⁹

The facts here make it even more apparent that Nexstar should be attributed with WPIX. Mission has “no economic incentive” to control WPIX’s programming because the LPMA gives Nexstar control over 100% of the programming and 100% of the advertising on WPIX. Mission is only allowed reimbursement for the operational expenses of the station that Nexstar deems “reasonable.” As a contractual matter, therefore, all financial upside of the operation of WPIX flows to Nexstar.⁶⁰

⁵⁸ *Id.* ¶ 33.

⁵⁹ *Sinclair/Tribune Hearing Designation Order* ¶ 17 n.41. In its applications to the Commission, Sinclair explained that the KDAF and KIAH divestitures to longtime sidecar Cunningham Broadcasting and WGN divestiture to new sidecar partner Steven Fader were each for the purpose of lowering Sinclair’s national audience reach for compliance with the national ownership rule. *See id.* ¶ 16 n.39; File No. BTCCDT-20170626AGH, Ex. 15, Attach. 15, April 24, 2018 Amendment to the Comprehensive Exhibit at 19-20, https://licensing.fcc.gov/cdbs/CDBS_Attachment/getattachment.jsp?appn=101783830&qnum=5140©num=1&exhcnun=3.

⁶⁰ *See* LPMA at Schedule A (Ex. 1).

Mission's lack of economic incentive is also reflected in the terms of the Mission-Nexstar Option. As shown, Mission is guaranteed to lose money on the sale of WPIX to Nexstar, and Nexstar can effectively veto any attempt by Mission to seek greater proceeds through a sale to a third party. For all practical purposes, therefore, Mission is merely serving as a vehicle for Nexstar to pursue its own economic interests. The Commission has found attribution under these circumstances in other cases,⁶¹ and should reach the same conclusion here, as well.

2. The Existing Economic Relationships Between Nexstar and Mission Further Underscore Nexstar's Attribution with WPIX

In the *Sinclair/Tribune Hearing Designation Order*, the Commission emphasized that: "While each of the individual agreements discussed herein (e.g., JSAs, SSAs, options, and loan guarantees) would not, standing alone, give rise to a" question of whether Sinclair ultimately has an attributable interest in its brokered sidecar stations, "they do give rise to such a question when considered together and combined with the other factors discussed herein."⁶² The Commission's concern was heightened by the "the longstanding and intertwined relationships between and among Sinclair [and its sidecar partners], along with [contractual] terms that are atypically favorable to" Sinclair.⁶³

⁶¹ See *Rules and Policies Concerning Attribution of Joint Sales Agreements in Local Television Markets*, Notice of Proposed Rulemaking, 19 FCC Rcd. 15238 ¶ 13 (2004) ("Our experience with the *Ackerley* case suggests that TV JSAs may reduce a licensee's incentive to select programming and oversee other core operations of the station whose ad time is brokered. For example, a JSA providing a licensee with a fixed monthly fee, regardless of the advertising sales or audience share of the TV station, transfers all market risk from the licensee to the broker. With the JSA, it is the broker's profits that are directly affected by the advertising revenues generated by a program. As such, the broker has strong incentives to induce a licensee to select programming to protect the broker's interests, and the brokered station has little incentive to resist such influence."); see also *King* at 25337 (finding control and attribution where the brokers of TBA and JSA – not the licensee – shared the risk of loss and potential profit from the operation of the stations).

⁶² *Sinclair/Tribune Hearing Designation Order* ¶ 17 n.41 (citing *Ackerley* and designating for hearing substantial and material questions of fact regarding whether Sinclair was the real-party-in-interest in purported divestiture applications to sidecar stations, among other questions).

⁶³ *Id.* ¶ 17; see also *id.* ¶ 26 ("Even if control would have rested with Cunningham, substantial and material questions of fact exist as to whether the panoply of relationships and agreements between Sinclair and Cunningham would provide Sinclair with the incentive and means to exert influence over the core operations of Cunningham, which, under Commission precedent, could be the basis for a finding that its stations should be attributed to Sinclair

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Those same concerns exist in this case. As previously shown, beyond the LPMA itself, Nexstar has an option to repurchase WPIX at a “sweetheart,” non-market price. Nexstar has also guaranteed Mission’s obligations under a credit agreement used in part by Mission to acquire WPIX. And Nexstar is “deemed . . . to have controlling financial interests” in Mission for the purposes of SEC disclosures.⁶⁴ These are the same kind of “longstanding and intertwined” relationships, “atypically favorable” to Nexstar, that the Commission identified with the Sinclair-Tribune transaction.

The fact that Mission disclosed the LPMA and other arrangements with Nexstar in its application to acquire WPIX from Scripps does not change this analysis, much less excuse Nexstar’s subsequent behavior. Mission’s application to acquire WPIX was put out on routine public notice by the Media Bureau, received no comments, and was approved by the Bureau as a routine application grant.⁶⁵ There is no indication that Mission disclosed the full extent of how those arrangements would operate in practice. Nor is there any indication that Mission disclosed its intention to abdicate its retransmission consent rights over WPIX to Nexstar. The Commission thus had no reason to consider the issues presented in this Petition based on the post-review conduct of Nexstar and Mission.

In *Hicks*, the Commission found de facto control where the relationship between a licensee and a JSA provider, when subsequently viewed in actual practice, went beyond the bounds previously approved in a transfer application – effectively causing the licensee to

for purposes of determining compliance with our ownership rules.”). With respect to the Cunningham divestitures, in addition to proposed services agreements with divested stations and a decades-long “close relationship between Sinclair and Cunningham,” the Commission also “question[ed] . . . an existing loan guarantee between Sinclair and Cunningham, and the proposed purchase price.” *See id.* ¶¶ 23-26.

⁶⁴ *See* Nexstar 10-K at 8.

⁶⁵ *See* Public Notice, FCC Media Bureau Report No. 29817 at 1 (Sept. 4, 2020); Public Notice, FCC Media Bureau Report No. 49878, at 1 (Dec. 4, 2020).

“abdicate[] control” over the station.⁶⁶ As a result, the station was found to be attributable to the JSA provider, putting it in violation of the Newspaper-Broadcast Cross-Ownership Rule.⁶⁷

Similarly here, actual implementation of the LPMA by Nexstar, Mission’s undisclosed “delegation” of retransmission consent authority over WPIX to Nexstar, and Nexstar’s other course of conduct involving WPIX demonstrate a clear abdication of control of the station by Mission to Nexstar. In short, the Commission has not previously been presented with the questions that this subsequent conduct now raises. As the Petition demonstrates, WPIX should be attributed to Nexstar, which puts Nexstar in clear violation of the national ownership rule.

3. The Commission’s Prior Review of the Nexstar-Mission Relationship Is Distinguishable

In 2008, the Commission examined the Nexstar-Mission relationship with respect to a JSA and shared sales agreement (“SSA”) between stations KFTA-TV, Fort Smith, Arkansas, and Station KNWA-TV, Rogers, Arkansas.⁶⁸ After reviewing the specific facts and circumstances there, the Commission concluded that a petitioner failed to raise a substantial and material question of fact as to whether Mission ceded de facto control of its station to Nexstar.⁶⁹ The present facts and circumstances are clearly distinguishable.

For example, in the *2008 Nexstar/Mission Order*, Nexstar provided only newscasts that were limited to 15 percent of the station’s programming, and Nexstar personnel were not otherwise involved with the Mission station’s programming.⁷⁰ Mission could also determine the

⁶⁶ *Hicks Broadcasting of Indiana, LLC, et al.*, Initial Decision of Chief Administrative Law Judge Joseph Chachkin, 14 FCC Rcd. 8412 ¶ 160 (1999) (“*Hicks*”).

⁶⁷ *Id.* ¶ 161.

⁶⁸ *See Applications for Assignment of License KFTA-TV, Fort Smith, Arkansas and KNWA-TV, Rogers, Arkansas*, Order, 23 FCC Rcd. 3528 (MB 2008) (“*2008 Nexstar/Mission Order*”).

⁶⁹ *Id.* at 3529-30, 3533-36.

⁷⁰ *Id.* at 3533-35.

title and format of such newscasts.⁷¹ Under the LPMA here, Nexstar dictates 100 percent of WPIX programing 24/7.

Further, under the terms of the *2008 Nexstar/Mission Order* agreement, Mission would receive 70 percent of all revenue attributable to commercial advertisements and set the rate for the sale of time on the station.⁷² Here, Nexstar sells 100 percent of the advertising time and retains 100 percent of the revenues, which it is now attempting to boost significantly by demanding that Comcast pay retransmission consent fees as if WPIX were owned by Nexstar, instead of Mission.

These examples show that the service agreements involved with the Arkansas stations are completely different from the LPMA that governs WPIX. The Commission’s determination in that prior proceeding, therefore, has no bearing on how the LPMA and other intertwined arrangements between Nexstar and Mission should be viewed in this case.

* * *

Once WPIX is properly attributed to Nexstar, Nexstar is in clear violation of the national ownership rule. When WPIX is excluded from the calculation and accounting for the UHF discount, Nexstar’s national audience reach is slightly below the 39 percent national ownership cap, similar to the situation at the time of the Tribune transaction.⁷³ However, according to the Congressional Research Service, “[i]f the FCC were to consider WPIX attributable to Nexstar, the company’s national ownership reach, based on Nielsen’s 2021 estimates of U.S. television

⁷¹ *Id.* at 3534.

⁷² *Id.* at 3531.

⁷³ See File No. BTC-20190107ADI, Ex. 15, Attach. 15, Amended Comprehensive Exhibit at 34, https://licensing.fcc.gov/cdbs/CDBS_Attachment/getattachment.jsp?appn=101805763&qnum=5140©num=1&exhnum=3 (“Nexstar-Tribune Amended Comprehensive Exhibit”). These calculations include the UHF discount.

households, would be 44% with the UHF discount, and 68.1% without it, thereby exceeding the national ownership cap in either case.”⁷⁴

III. NEXSTAR’S CONTROL OF WPIX AND MISSION, AND THE PROGRAMMING AND OTHER SERVICES PROVIDED TO WPIX, VIOLATE THE CONDITION IN THE NEXSTAR/TRIBUNE ORDER

As shown above, less than a year after the Commission required Nexstar to divest WPIX, Nexstar orchestrated reacquisition of the station, through its sidecar, Mission, enabling it to engage in the very conduct that required the divestiture. And, under the present option agreement, Nexstar can unilaterally direct Mission to sell the station back to Nexstar. The Commission should find that Nexstar’s activities, agreements, and arrangements with Mission for WPIX, along with Nexstar’s claims of unfettered control of WPIX’s retransmission consent negotiations, violate the divestiture condition in the *Nexstar/Tribune Order*.

A. FCC Approval of the Nexstar-Tribune Transaction Was Specifically Premised on Divestiture of WPIX in Order for Nexstar to Comply with the National Ownership Rule

In December 2018, just months after the FCC designated Sinclair Broadcasting’s proposed acquisition of Tribune Media Company (“Tribune”) for hearing, Nexstar announced its intent to acquire Tribune and its portfolio of large-market stations, including WPIX. Absent any divestitures, the addition of Tribune’s stations would have increased Nexstar’s national audience reach from 25.207 percent to 46.8065 percent.⁷⁵ Nexstar therefore agreed to divest WPIX to Scripps Media, Inc. and Miami’s WSFL and Phoenix’s KASW to Scripps Broadcasting Holdings, LLC. These divestitures lowered Nexstar’s national audience reach to 38.2965 percent – mere fractions of a percentage point below the 39 percent national ownership cap.⁷⁶

⁷⁴ June 2021 CRS Report at 20.

⁷⁵ Nexstar-Tribune Amended Comprehensive Exhibit at 34. These calculations include the UHF discount.

⁷⁶ *Id.*

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The application to divest WPIX to Scripps included an option agreement, previously described, that gave Nexstar the ability to repurchase WPIX from Scripps for a base price of \$75 million.⁷⁷

In its Petition to Deny the transaction applications, DISH requested that the Commission condition the grant of the transaction and any divestitures on those divestitures being “on an arm’s length basis and unaccompanied by any sidecar agreements,” such as LMAs and JSAs.⁷⁸

DISH’s proposal followed the DOJ common practice in broadcast transactions to explicitly prohibit entry into shared services agreements, repurchase options, and other similar arrangements.⁷⁹ In fact, separate conditions imposed by DOJ to address local market concentration issues required Nexstar to eliminate local market top-four station overlaps and further prohibited Nexstar for 10 years from (1) reacquiring covered divestiture stations; (2) acquiring an option to reacquire covered divestiture stations; (3) entering into “any Cooperative Agreement” or conducting “business negotiations jointly” with respect to covered divestiture stations (with the exception of certain newsgathering and production agreements); and (4) providing financing or financing guarantees with respect to covered divestiture stations.⁸⁰ These commonly-used DOJ divestiture conditions prohibiting “reacquisition and cooperative

⁷⁷ See File No. BALCDT-20190403ABU, Ex. 5, Attach. 5 (Asset Purchase Agreement, Ex. D, Form of Option Agreement), https://licensing.fcc.gov/cdbs/CDBS_Attachment/getattachment.jsp?appn=101802309&qnum=5040©num=1&exhnum=1.

⁷⁸ See, e.g., *Petition to Deny of Dish Network Corp.*, MB Docket No. 19-30, at 44-46 (Mar. 18, 2019).

⁷⁹ See, e.g., Final Judgment at 16, *United States v. Nexstar Broad. Grp., Inc.*, No. 1:16-cv-01772-JDB (D.D.C. Nov. 16, 2016) (“Defendants may not . . . enter into any local marketing agreement, joint sales agreement, other cooperative selling arrangement, or shared services agreement, or conduct other business negotiations jointly with the Acquirers with respect to the Divestiture Assets . . .”); Final Judgment at 15-16, *United States v. Gray Television, Inc.*, No. 1:15-cv-02232-RC (D.D.C. Mar. 3, 2016) (using same language); Final Judgment at 14, *United States v. Sinclair Broad. Grp., Inc.*, No. 1:14-cv-01186-TSC (D.D.C. Nov. 25, 2014) (using substantially similar language).

⁸⁰ See Final Judgment at 17-18, *United States v. Nexstar Media Grp., Inc.*, No. 1-19-cv-02295-DLF (D.D.C. Feb. 20, 2020), <https://www.justice.gov/atr/case-document/file/1247801/download>. The Justice Department conditions only apply to local market duopolies, not to WPIX and other stations that created issues under the national ownership rule.

agreements” align with the FCC’s policy of preventing circumvention of the ownership rules via “sham” transactions.⁸¹

To convince the Commission that such common DOJ-type conditions were unnecessary, Nexstar expressly represented that it “will not be providing ongoing services under sharing agreements (JSAs, local marketing agreements (‘LMAs’) or shared services agreements (‘SSAs’)) to any of the stations that it is divesting,” and “no JSA, LMA or SSA is being assumed by Nexstar in the Transaction.”⁸² In its September 2019 Order approving the transaction, the Commission specifically relied on these representations, even echoing Nexstar’s own language, in determining that DISH’s request for a specific divestiture condition limiting Nexstar’s ability to enter into services agreement with a divested station was “moot.”⁸³

Instead, the Commission conditioned its grant of Nexstar’s acquisition of the Tribune stations on Nexstar’s pledged divestiture of WPIX to Scripps to comply with the national ownership rule.⁸⁴ Scripps consummated its purchase of WPIX on September 19, 2019. The grant of the transaction was over the dissents of then-Commissioner Rosenworcel and Commissioner Starks, who argued, among other things, that the transaction’s reliance on the outdated UHF discount to justify an actual national audience reach in excess of 60 percent was unlawful and harmed localism, diversity, and competition.⁸⁵

⁸¹ See, e.g., *Sinclair/Tribune Hearing Designation Order* ¶ 2.

⁸² Consolidated Opposition to Petitions to Deny and Comments of Nexstar and Tribune, MB Docket No. 19-30, at 20 (Apr. 2, 2019).

⁸³ *Nexstar/Tribune Order* ¶ 13 n.65 (citing to Consolidated Opposition of Nexstar and Tribune, MB Docket No. 19-30, at 19-20 (Apr. 2, 2019)).

⁸⁴ See *Nexstar/Tribune Order* ¶¶ 8, 70, App. B (conditioning the grant of applications to transfer control of Tribune stations to Nexstar (listed in Appendix A) “on the consummation of transactions represented by the applications listed in Appendix B” (listing the divestiture applications to Scripps)).

⁸⁵ *Dissenting Statement of Commissioner Jessica Rosenworcel, Nexstar/Tribune Order*, 34 FCC Rcd. at 8478-79 (“There is not a broadcast engineer in the country who could say with a straight face that continuing to honor the UHF discount makes any technical sense. Yet our decision today depends entirely on counting stations as if it does. It relies on the fiction of the UHF discount still being technically viable in order to ensure that the new broadcasting

B. Nexstar Executed a Multistep Plan to Circumvent the Divestiture Condition

Despite its representations to the Commission, Nexstar quickly executed a multi-step scheme to circumvent its ordered divestiture of WPIX and its commitment not to provide ongoing services “to any of the stations that it is divesting.” The Commission has penalized licensees for evasion or circumvention of merger conditions, and should take the same approach here.⁸⁶

It is now evident that Nexstar used the guise of an option agreement to temporarily “park” WPIX with Scripps before assigning the option to Mission to exercise for the benefit of Nexstar. Within a little over a year from “divesting” WPIX, Nexstar is back programming “all” of WPIX’s airtime, extracting all of the economic value of the station, and using its expanded negotiating leverage in an attempt to force Comcast to pay significantly higher retransmission consent fees in derogation of the Mission Agreement.

Just as the Commission observed in the Sinclair-Tribune transaction, “the longstanding and intertwined relationships between” Nexstar and Mission here, “along with . . . the purchase

company that results from this transaction clears important ownership limits in the law.”); *see also Dissenting Statement of Commissioner Geoffrey Starks, Nexstar/Tribune Order*, 34 FCC Rcd. at 8480-82 (“Today’s merger will create one of the largest broadcasters in history, reaching more than 60 percent of United States households. In my mind, permitting that large a single broadcaster runs counter to our fundamental tenets of promoting competition, localism, and diversity. . . . I share concerns that excessive consolidation of our broadcast licenses is counter to our statutory goals and harmful to our democracy. Although I was not a member of the Commission when this administration reinstituted the obsolete UHF discount loophole, I would not have supported that action then, and do not support it as a sound basis now. In fact, I believe that it defies our statute and the will of Congress. Based on the Congressionally imposed 39 percent national ownership cap alone, I believe that this transaction, as structured, is against the law.”).

⁸⁶ See, e.g., *Global NAPs, Inc. v. Verizon Communications, et al.*, 17 FCC Rcd. 4031 ¶¶ 1, 21 (2002) (finding Verizon violated “a condition of the Commission’s approval of the merger application of Bell Atlantic Corp. and GTE Corp.” and in doing so also violated section 201(b) of the Communications Act); *SBC Communications, Inc. Apparent Liability for Forfeiture*, Notice of Apparent Liability for Forfeiture, 17 FCC Rcd. 1397 ¶ 23 (2002) (imposing a \$6 million forfeiture for SBC’s willful and repeated violations of a condition imposed in the order granting approval of SBC’s merger with Ameritech); *cf. Hicks* ¶¶ 66, 148, 161-164 (imposing forfeitures against a licensee and service provider where, within days of the Commission’s approval of a transaction, parties “willful[ly]” “began to put into place a series of joint operational elements that had the unintended effect of ceding control of WRBR(FM) to Pathfinder” and parties “discussed and ultimately agreed to arrangements which expanded Pathfinder’s role well beyond that established in the JSA”).

price, financing, and contractual agreements,” “raises significant questions as to whether those . . . divestitures were in fact ‘sham’ transactions.”⁸⁷ Nexstar has, as a practical matter, pulled a “bait-and-switch” with the Commission and the public through its post-transaction interactions with WPIX.

In a recent letter to Comcast, Nexstar (through its outside counsel) has confirmed that the concerns raised by then-Commissioner Rosenworcel and Commissioner Starks about the transaction were well-placed. The letter asserts that {{

}} The letter goes on to state that {{

}}⁸⁸ These contentions are plainly inconsistent with the representations that Nexstar made to win the Commission’s approval, as described above.

Indeed, under this post-transaction reading of the *Nexstar/Tribune Order*, the Commission could require a divestiture as a condition of approval, but the merged party could then immediately enter into an agreement with the divested station to control all of its programming, finances, personnel, and other key policies and actions. The notion that such conduct is permissible makes a mockery of the Commission’s divestiture order. Further, under Nexstar’s theory, nothing would stop a single entity from seeking to control the programming, finances, and personnel policies and decisions of every broadcast station in the country (like

⁸⁷ *Sinclair/Tribune Hearing Designation Order* ¶¶ 2, 17.

⁸⁸ Nexstar June 17 Letter at 3 (Ex. 2, Attach. G).

Nexstar does for WPIX and Mission here) – and yet not violate the national ownership rule.⁸⁹

That makes a mockery of the Commission's ownership rules.

IV. REMEDIES ARE NECESSARY AND APPROPRIATE TO BRING NEXSTAR INTO COMPLIANCE WITH THE NATIONAL OWNERSHIP RULE AND THE NEXSTAR/TRIBUNE ORDER

The Commission should impose remedies to ensure that Nexstar complies with the national ownership rule and accounts for its violation of the divestiture condition in the *Nexstar/Tribune Order*. To redress the finding of attribution in violation of the media ownership rules in *Ackerley*, the Commission ordered the parties to rewrite the terms of the TBA to neutralize any undue influence. This meant “removal of any contractual right or other arrangement that would result in the broker being entitled to advertising revenues not resulting solely from the 15% of programming provided under the TBA.”⁹⁰ Likewise, where the Commission found an LMA (among other financial and sidecar relationships) gave Sinclair de facto control over Glencairn, the Commission ordered certain LMA terms to be “removed or suitably amended,”⁹¹ as well as the windup of certain financial relationships between Sinclair and Glencairn.⁹² And, where the Commission found rule violations related to Sinclair's exercise

⁸⁹ See Nissenblatt Decl. ¶ 18 (Ex. 2) (“From my longstanding experience in dealing with broadcast station groups, if Nexstar is allowed to exercise control of WPIX in the way it is claiming with Comcast, Nexstar would have the incentive to engage in similar conduct with other stations around the country, giving it virtually unlimited national reach.”).

⁹⁰ *Ackerley* ¶ 33.

⁹¹ *Sinclair/Glencairn* ¶ 37 (finding that (1) Sinclair's right to specific performance of the LMA in the event of material breach by the licensee would compel the licensee to utilize a particular programmer (Sinclair) thereby “violat[ing] the licensee's fundamental right and obligation to determine the type of programming to be aired on its station”; and (2) Sinclair's right to assign its rights and interests under the LMA without prior written consent of the licensee “appeared to deprive the licensee of control over programming by granting Sinclair the ultimate power to decide who will program the stations”).

⁹² *Id.* ¶ 38 (“Sinclair's creditor relationship with Glencairn, combined with its ongoing brokerage of Glencairn's stations pursuant to LMAs and its existing option to purchase Glencairn's stations, is of particular concern in this case, where we have already determined that an unauthorized transfer of control has taken place between the parties. Given these unique circumstances, we find that Sinclair's retention of a creditor relationship with Glencairn would not be appropriate.”).

of retransmission consent rights over out-of-market sidecar stations, the Commission ordered Sinclair to erect an internal firewall between employees involved in negotiating retransmission consent agreements on behalf of Sinclair and those negotiating on behalf of sidecar stations, along with other stringent requirements to prevent the exercise of undue leverage from a broker relationship.⁹³ The Commission should consider these and other potential remedies to redress Nexstar's actions in this case.

V. CONCLUSION

For the foregoing reasons, the Commission should adopt a declaratory ruling that:

(1) Nexstar is attributed with WPIX, either under a de facto control analysis or the more generalized “influence” standard underlying the broadcast attribution rules, and thus is in violation of the national ownership rule; and (2) Nexstar's control of WPIX and Mission, and the programming and other services Nexstar provides to WPIX, violate the divestiture condition in the *Nexstar/Tribune Order*. The Commission also should order appropriate remedies to bring Nexstar into compliance with the national ownership rule and to redress its violation of the *Nexstar/Tribune Order*. Because Nexstar is using its control of WPIX to demand higher retransmission consent fees that would increase consumer prices, and has threatened to deauthorize Comcast's retransmission rights and go “dark” with WPIX and potentially other

⁹³ See *Sinclair Broadcast Group*, Consent Decree, 35 FCC Rcd. 5877 ¶ 20(a)(iii)-(vi) (2020) (ordering, among other things that (1) “no Sinclair employee or agent who is involved in any way in retransmission consent negotiations on behalf of Sinclair may possess, receive, access, accept, or review any retransmission consent agreement to which a Non-Sinclair Station is a party, or non-public information related to such an agreement”; (2) “no Sinclair employee or agent may provide a copy of any retransmission consent agreement to which a Non-Sinclair Station is a party, or non-public information related to such an agreement, to any Sinclair employee or agent who is involved in any way in retransmission consent negotiations on behalf of Sinclair”; (3) “no Sinclair employee or agent may provide any retransmission consent agreement, or non-public information related to such an agreement, to any third party unless the third party is a signatory of the agreement in question”; and requiring that (4) related “information controls shall be established” to prevent such prohibited information sharing).

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Nexstar stations in millions of customer homes, Comcast respectfully urges the Commission to act expeditiously on this Petition.

Respectfully submitted,

/s/ Jonathan A. Friedman

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July 1, 2021

EXHIBIT 1

LOCAL PROGRAMMING AND MARKETING AGREEMENT

THIS LOCAL PROGRAMMING AND MARKETING AGREEMENT (this “Agreement”) is made as of December 30, 2020 between Mission Broadcasting, Inc., a Delaware corporation (“Licensee”) and Nexstar Inc., a Delaware corporation (“Programmer”). Each of Licensee and Programmer is a “party” and collectively, the “parties.”

Recitals

A. Licensee owns and operates digital television station WPIX, New York, New York (FCC Facility ID #73881) (the “Station”) pursuant to licenses issued by the Federal Communications Commission (“FCC”).

B. Licensee desires to obtain programming for the Station, and Programmer desires to provide programming for broadcast on the Station on the terms set forth in this Agreement.

Agreement

NOW, THEREFORE, taking the foregoing recitals into account, and in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties, intending to be legally bound, hereby agree as follows:

1. Term. The term of this Agreement (the “Term”) will begin on the date set forth above and will continue until the date eight (8) years thereafter, unless earlier terminated in accordance with the terms of this Agreement. Unless otherwise terminated by either party, the term of this Agreement shall be automatically extended for two (2) successive additional eight (8) year terms. Notwithstanding the foregoing, either party may terminate this Agreement at the end of each eight-year term by providing six months prior written notice to the other party.

2. Programming. During the Term, Licensee shall make available to Programmer all of the airtime on the Station (including the primary and all secondary program streams and ancillary uses) for programming provided by Programmer (the “Programs”) for broadcast on the Station twenty-four (24) hours per day, seven (7) days per week. Without limiting the foregoing, Programmer is entitled to use all of the Station’s digital transmission capacity. During the Term, Programmer will transmit, at Programmer’s expense, the Programs to the Station’s transmitting facilities in a manner that ensures that the Programs meet technical and quality standards at least equal to those of the Station’s broadcast prior to the Commencement Date, and Licensee shall broadcast the Programs on the Station, subject to the provisions of Section 5 below.

3. Revenues. During the Term, Programmer will be exclusively responsible for the sale of advertising on the Station (including the setting of all rates related thereto) and for the collection of accounts receivable arising therefrom; and Programmer shall be entitled to all revenues of the Station (including without limitation all revenues from the Station’s website, towers and retransmission consent, if any). All advertising announcements furnished by

Programmer shall comply with applicable federal, state, and local regulations and pertinent governmental policies, including, but not limited to, lottery restrictions, prohibitions on obscenity and indecency, deceptive advertising, false representations or deception of any kind, and political broadcasting rules. Programmer will not discriminate in advertising sales based on race or ethnicity.

4. Payments. For the broadcast of the Programs and the other benefits made available to Programmer pursuant to this Agreement, during the Term, Programmer will pay Licensee as set forth on *Schedule A* attached hereto. To the extent reasonably necessary to perform this Agreement, during the Term, Licensee shall provide Programmer with the benefits of any of the Station's contracts and agreements and Programmer shall perform the obligations of Licensee thereunder, to the extent of the benefits received.

5. Control.

(a) Notwithstanding anything to the contrary in this Agreement, Licensee shall have full authority, power and control over the operation of the Station and over all persons working at the Station during the Term. Licensee shall bear responsibility for the Station's compliance with the rules, regulations and policies of the FCC and all other applicable laws (collectively, "Laws"). Licensee will employ personnel as necessary to comply with applicable Laws and retain control over the policies, programming and operations of the Station.

(b) Nothing contained herein shall prevent Licensee from (i) rejecting or refusing programs which Licensee believes to be contrary to the public interest or (ii) substituting programs which Licensee believes to be of greater local or national importance or which are designed to address the problems, needs and interests of the local communities. Licensee reserves the right to (i) refuse to broadcast any Program containing matter which violates any right of any third party, which constitutes a personal attack, or which does not meet the requirements of the rules, regulations and policies of the FCC, (ii) preempt any Program in the event of a local, state or national emergency or (iii) delete any commercial announcements that do not comply with the requirements of the FCC's sponsorship identification policy. If Licensee preempts, rejects or otherwise refuses to broadcast any Program, then Licensee shall broadcast substitute programming of equal or greater value to Programmer.

(c) Programmer shall cooperate with Licensee to ensure that EAS transmissions are properly performed in accordance with Licensee's instructions. Each party shall deliver to the other a copy of any letters of complaint it receives with respect to the Station.

6. Programs.

(a) Licensee acknowledges that it is familiar with the type of programming Programmer currently produces or licenses and has determined that the broadcast of such programming on the Station would serve the public interest. Programmer shall ensure that the contents of the Programs conform to all FCC rules, regulations and policies. Programmer shall consult with Licensee in the selection of the Programs to ensure that the Programs' content

contains matters responsive to issues of public concern in the local communities, as those issues are made known to Programmer by Licensee. Without limiting the foregoing, the Programs shall at all times comply with all of the following:

- i. all Laws governing or requiring sponsorship identification, including but not limited to 47 U.S.C. Sec. 317, 47 U.S.C. Sec. 507 and 47 C.F.R. Sec. 73.1212;
- ii. all Laws governing political and controversial issue programming and advertising, including but not limited to the Bipartisan Campaign Reform Act of 2002 and 47 C.F.R. Sections 73.1212, 73.1912 and 73.3526. Programmer will provide Licensee with all documentation regarding political programming and advertising required to be retained by or placed in the public inspection file of the Station;
- iii. all Laws governing children's television programming and commercial matter within children's television programming. Programmer shall ensure that the Programs contain an average of at least three (3) hours per week of "core" children's educational and informational programming, as defined by the FCC. Programmer shall provide Licensee on a quarterly basis with information sufficient to demonstrate compliance of the Programs with FCC requirements concerning educational/informational programming, and the commercial limits in children's programming, such that Licensee will be able to complete and timely file with the FCC a children's television report on FCC Form 398 with respect to such programming;
- iv. all Laws governing the closed captioning of programming for the hearing impaired and/or video description for the sight impaired;
- v. all Laws governing or prohibiting the transmission of indecent, profane or obscene content; and
- vi. all Laws related to copyrights, third party rights, libel, slander or privacy rights.

Licensee acknowledges that its right to broadcast the Programs is non-exclusive and that ownership of or license rights in the Programs shall be and remain vested in Programmer.

(b) Programmer will provide such public interest programming as necessary to meet Licensee's FCC obligations, provided it will remain Licensee's obligation to ascertain the needs and interests of the Station's community.

(c) During the Term, Licensee and Programmer will maintain music licenses with respect to the Station and the Programs, as appropriate.

(d) Licensee will comply with all reasonable requests of Programmer with respect to the renewal and cancellation of contracts (in accordance with their terms) or the entry into or the modification of contracts which affect Programmer's activities with regard to the Station pursuant to this Agreement.

7. Expenses. Licensee will pay for maintenance of all studio and transmitter equipment and all other operating costs required to be paid to maintain the Station's broadcast operations in accordance with FCC rules and policies and applicable law, and all utilities supplied to its main studio and transmitter sites. Licensee will provide all personnel necessary for the broadcast transmission of the Programs (once received at its transmitter site) and will be responsible for the salaries, taxes, insurance and related costs for all such personnel. Programmer will be responsible for costs and expenses arising from Programmer's activities under this Agreement.

8. Call Signs. During the Term, Licensee will retain all rights to the call letters of the Station or any other call letters which may be assigned by the FCC for use by the Station, and will ensure that proper station identification announcements are made with such call letters in accordance with FCC rules and regulations. Programmer shall include in the Programs an announcement at the beginning of each hour of such Programs to identify such call letters, as well as any other announcements required by the rules and regulations of the FCC. Programmer is authorized to use such call letters in its Programs and in any promotional material in any media used in connection with the Programs.

9. Facilities.

(a) During the Term, Licensee shall maintain the operating power of the Station at the maximum level authorized by the FCC for the Station and shall repair and maintain Licensee's studio and transmission facilities and equipment in good operating condition.

(b) During the Term, Licensee shall provide Programmer access to and the use of Licensee's studio and office facilities in the Station's market as reasonably necessary for Programmer to exercise its rights and perform its obligations under this Agreement. When on Licensee's premises, Programmer's personnel shall be subject to the direction and control of Licensee's management personnel and shall not act contrary to the terms of any lease for such premises.

10. Insurance. Programmer and Licensee will each carry (A) comprehensive general liability insurance with reputable companies covering their activities under this Agreement, in an amount not less than One Million Dollars (\$1,000,000.00); (B) worker's compensation and/or disability insurance; and (C) libel/defamation/First Amendment liability insurance, with a deductible of no more than \$250,000. Each party will name the other party as an additional insured on these policies.

11. Representations. Programmer and Licensee each represent and warrant to the other that (i) it has the power and authority to enter into this Agreement and to consummate the transactions contemplated hereby, (ii) it is in good standing in the jurisdiction of its organization and is qualified to do business in the State of New York, (iii) it has duly authorized this Agreement, and this Agreement is binding upon it, (iv) the execution, delivery, and performance by it of this Agreement does not conflict with, result in a breach of, or constitute a default or

ground for termination under any agreement to which it is a party or by which it is bound, and (v) it will comply with all Laws applicable to its operations hereunder.

12. Termination.

(a) Licensee may terminate this Agreement upon written notice to Programmer if: (i) Programmer fails to observe or perform any obligation contained in this Agreement in any material respect, which is not cured within the Cure Period (defined below); or (ii) Programmer breaches any representation or warranty made by it under this Agreement in any material respect, which is not cured within the Cure Period.

(b) Programmer may terminate this Agreement upon written notice to Licensee if: (i) Licensee fails to observe or perform any obligation contained in this Agreement in any material respect, which is not cured within the Cure Period; or (ii) Licensee breaches any representation or warranty made by it under this Agreement in any material respect, which is not cured within the Cure Period.

(c) The term "Cure Period" means a period commencing on the date Licensee or Programmer receives written notice from the other of a breach or default hereunder and continuing until the date thirty (30) calendar days thereafter. If this Agreement is terminated for any reason, the parties agree to cooperate with one another and to take all actions necessary to rescind this Agreement and return the parties to the *status quo ante*. Termination of this Agreement shall not relieve any party from liability for breach of this Agreement.

(d) In the event any court or federal, state or local government authority orders or takes any action which becomes effective and which requires the termination or material curtailment of Programmer's activities under this Agreement, and such action becomes a final order, the parties will use their reasonable efforts and negotiate in good faith a modification to this Agreement which would, to the extent possible, maintain the intent of the parties and the economic and other benefits of this Agreement.

13. Indemnification. Programmer shall indemnify and hold Licensee harmless against any and all liability (including but not limited to FCC forfeitures) for indecency, libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, infringement of copyrights and proprietary rights, or violations of FCC rules and other Laws resulting from the broadcast of the Programs on the Station, and Programmer's breach of any obligations hereunder. Licensee shall indemnify and hold Programmer harmless against any and all liability (including but not limited to FCC forfeitures) for indecency, libel, slander, illegal competition or trade practice, infringement of trademarks, trade names, or program titles, violation of rights of privacy, infringement of copyrights and proprietary rights, or violations of FCC rules and other Laws resulting from the broadcast of Licensee's programming on the Station, and Licensee's breach of any obligations hereunder. The obligations under this Section shall survive any termination of this Agreement.

14. Assignment. Licensee may not assign this Agreement without Programmer's prior written consent, which shall not be unreasonably withheld, delayed or conditioned. Programmer may assign this Agreement to an affiliate without the consent of Licensee. Programmer may not otherwise assign this Agreement without the prior written consent of Licensee, which consent shall not be unreasonably withheld, delayed, or conditioned. The terms of this Agreement shall bind and inure to the benefit of the parties' respective successors and any permitted assigns, and no assignment shall relieve any party of any obligation or liability under this Agreement. Nothing in this Agreement expressed or implied is intended or shall be construed to give any rights to any person or entity other than the parties hereto and their successors and permitted assigns.

15. Severability. If any court or governmental authority holds any provision in this Agreement invalid, illegal, or unenforceable under any applicable law, then so long as no party is deprived of the benefits of this Agreement in any material respect, this Agreement shall be construed with the invalid, illegal or unenforceable provision deleted and the validity, legality and enforceability of the remaining provisions contained herein shall not be affected or impaired thereby. The obligations of the parties under this Agreement are subject to the rules, regulations and policies of the FCC and all other applicable laws. The parties agree that Licensee shall place a copy of this Agreement in the Station's online public inspection file.

16. Miscellaneous. This Agreement may be executed in separate counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement. No amendment or waiver of compliance with any provision hereof or consent pursuant to this Agreement shall be effective unless evidenced by an instrument in writing signed by both parties hereto. This Agreement is not intended to be, and shall not be construed as, an agreement to form a partnership, agency relationship, or joint venture between the parties. Neither party shall be authorized to act as an agent of or otherwise to represent the other party. The construction and performance of this Agreement shall be governed by the laws of the State of New York without giving effect to the choice of law provisions thereof. This Agreement (including the Schedule hereto) constitutes the entire agreement and understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings with respect to the subject matter hereof. No party will be deemed the drafter of this Agreement and if this Agreement is construed by a court of law such court should not construe this Agreement or any provision against any party as its drafter.

17. Notices. Any notice, demand or request required or permitted to be given under the provisions of this Agreement shall be in writing and shall be deemed to have been received on the date of personal delivery, on the third day after deposit in the U.S. mail if mailed by registered or certified mail, postage prepaid and return receipt requested, or on the next business day after delivery to a nationally recognized overnight courier service if sent by an overnight delivery service for next morning delivery (or to such other address as any party may request by written notice in accordance with this Section):

if to Licensee:

Mission Broadcasting, Inc.
901 Indiana Avenue
Suite 375
Wichita Falls, TX 76301-6719
Attention: Dennis Thatcher, President

if to Programmer:

Nexstar Inc.
545 E. John Carpenter Freeway
Suite 700
Irving, TX 75062
Attention: Perry Sook, Chief Executive Officer.

18. Certifications. Licensee certifies that it maintains ultimate control over the Station's facilities including, specifically, control over the Station's finances, personnel and programming. Programmer certifies that this Agreement complies with the provisions of 47 C.F.R. Sections 73.3555(b) and (c).


[SIGNATURE PAGE FOLLOWS]

SIGNATURE PAGE TO LOCAL PROGRAMMING AND MARKETING AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first set forth above.

PROGRAMMER:

NEXSTAR INC.

By: 
Name: Thomas E. Carter
Title: EVP & Chief Financial Officer

LICENSEE:

MISSION BROADCASTING, INC.

By: _____
Name: Dennis Thatcher
Title: President

SIGNATURE PAGE TO LOCAL PROGRAMMING AND MARKETING AGREEMENT

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first set forth above.

PROGRAMMER: NEXSTAR INC.

By: _____
Name: Thomas E. Carter
Title: EVP & Chief Financial Officer

LICENSEE: MISSION BROADCASTING, INC.

By: Dennis Thatcher _____
Name: Dennis Thatcher
Title: President

SCHEDULE A TO LMA

During the Term, Programmer shall reimburse Licensee for the reasonable operating and maintenance expenses of the Station incurred by Licensee in the ordinary course of business (each such reimbursement due upon invoice). Monthly operating expenses will be prorated for any partial calendar month this Agreement is in effect.

EXHIBIT 2

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)
)
)
Petition for Declaratory Ruling that Nexstar)
Media Group, Inc.'s Relationship with) MB Docket No. 21-____
WPIX-TV Violates 47 C.F.R. § 73.3555(e))
and the *Nexstar/Tribune Order*)
)
)
)

DECLARATION OF MICHAEL NISSENBLATT

1. My name is Michael Nissenblatt. I am Senior Vice President, Broadcaster Relations for Comcast Cable Communications, LLC ("Comcast").
2. I have been employed by Comcast since 2001, and have been in my current role since 2012. Within Comcast's larger Content Acquisition group, I oversee a team responsible for negotiating agreements with broadcast stations and networks seeking carriage on Comcast cable systems.
3. Working with my team in the Content Acquisition group and other senior executives, I had primary responsibility and oversight of Comcast's carriage negotiations with Mission Broadcasting, Inc. ("Mission"). Our negotiations with Mission resulted in a retransmission consent agreement {{ }} ("Mission Agreement"). The Mission Agreement {{

}}.

4. I had similar responsibility and oversight of Comcast's separate negotiations with Nexstar Media Group, Inc., which resulted in a retransmission consent agreement with Nexstar {{ (Nexstar Agreement)}. The Nexstar Agreement {{ }}.

5. Mission is one of several "sidecar" broadcast television licensees that has programing, marketing, financial, and/or other services agreements with Nexstar. This kind of "sidecar" arrangement enables a dominant brokering broadcaster (here Nexstar) to exercise operational and functional control over another broadcaster's (here Mission) brokered station.

6. Based on Nexstar's website, all of its sidecar stations are identified as being subject to "MSAs" or "Management Services Agreements."¹ Nexstar describes an MSA as "the general term we use to refer to a contract under which we provide services to a station owned and operated by an independent third party." It appears that these MSAs grant Nexstar the right to collect, on behalf of the sidecars, all retransmission consent revenues negotiated by these sidecar stations, including any newly-acquired additional stations. For all of these sidecar stations carried by Comcast, including Mission stations, {{

}}.

7. In December 2020, Mission acquired WPIX, a New York City station. WPIX is another sidecar station under an MSA with Nexstar. I have been the primary correspondent with

¹ See Nexstar Media Group, Inc., Stations, <https://www.nexstar.tv/stations/>.

Mission and with Nexstar regarding Comcast's carriage of WPIX in the months since Mission consummated its acquisition of the station. Based on those communications, and my review of Mission's WPIX-related filings with the Commission, the WPIX MSA includes a Local Programming and Marketing Agreement ("LPMA") that was executed between Mission and Nexstar.

8. In its course of dealing with Comcast, Mission {{

}}.

9. On April 8, 2021, I received a letter from Nexstar claiming that {{

}}.

According to Nexstar, therefore, Comcast and its customers would be required to pay significant new retransmission consent fees for WPIX {{

² See Attach. H (showing sample Mission letters sent following the closing of other transactions).

³ See Mission December 30 Letter (Attach. A).

}}.⁴

10. {{

}}.

11. On April 16, 2021, I responded to Nexstar. I explained that {{

}}.⁵

12. On April 26, 2021, Nexstar responded, denying that {{

}}.⁷

⁴ See Nexstar Apr. 8 Letter at 1 (Attach. B).

⁵ See Comcast Apr. 16 Letter at 1-2 (Attach. C).

⁶ See Nexstar Apr. 26 Letter at 1 (Attach. D).

⁷ *Id.* at 1-2.

13. I responded to Nexstar on May 10, 2021, reiterating that {{

}}⁸

14. On June 15, 2021, almost six months after acquiring WPIX, Mission sent me a letter claiming that {{

}}¹¹

15. From my communications with Mission and Nexstar, and based on my 20 years of negotiating and administering retransmission consent agreements, it has become clear that Nexstar is in charge of and controlling WPIX. WPIX is the first and only {{

}}.

16. Nexstar has {{

}}. But I have reviewed

⁸ Comcast May 10 Letter at 2 (Attach. E).

⁹ Mission June 15 Letter at 1 (Attach. F).

¹⁰ *Id.*

¹¹ *Id.*

the LPMA. Nothing in the LPMA grants Nexstar the right to negotiate retransmission consent on behalf of WPIX or any other Mission station.

17. Nexstar has also {{

}}.¹²

This issue was mooted when it became clear months later that the Commission would not raise the national ownership cap, which would have allowed Nexstar to buy WPIX back in its own name. Nexstar assigned its purchase option to Mission, which then exercised the option to buy WPIX from Scripps.

18. Nexstar is already the largest broadcast television station ownership group in the country. From my longstanding experience in dealing with broadcast station groups, if Nexstar is allowed to exercise control of WPIX in the way it is claiming with Comcast, Nexstar would have the incentive to engage in similar conduct with other stations around the country, giving it virtually unlimited national reach. As Comcast's situation with WPIX demonstrates, that would be a bad outcome for consumers, who would have to absorb the higher retransmission consent fees. It also calls into question the integrity of the Commission's ownership rules and transaction review process.

¹² See Comcast Apr. 16 Letter at 2 (Attach. C) (emphasis in original).

I declare, under penalty of perjury, that the foregoing is true and correct.

Dated: Philadelphia, Pennsylvania

June 30, 2021

A handwritten signature in black ink, appearing to read "Michael Nissenblatt", written over a horizontal line.


Michael Nissenblatt

**ATTACHMENTS A – H
REDACTED IN THEIR
ENTIRETY**

EXHIBIT 3

Nexstar Media Group, Inc. | Static

nexstar.tv/stations/



COMPANY

STATIONS

COMPANY NEWS

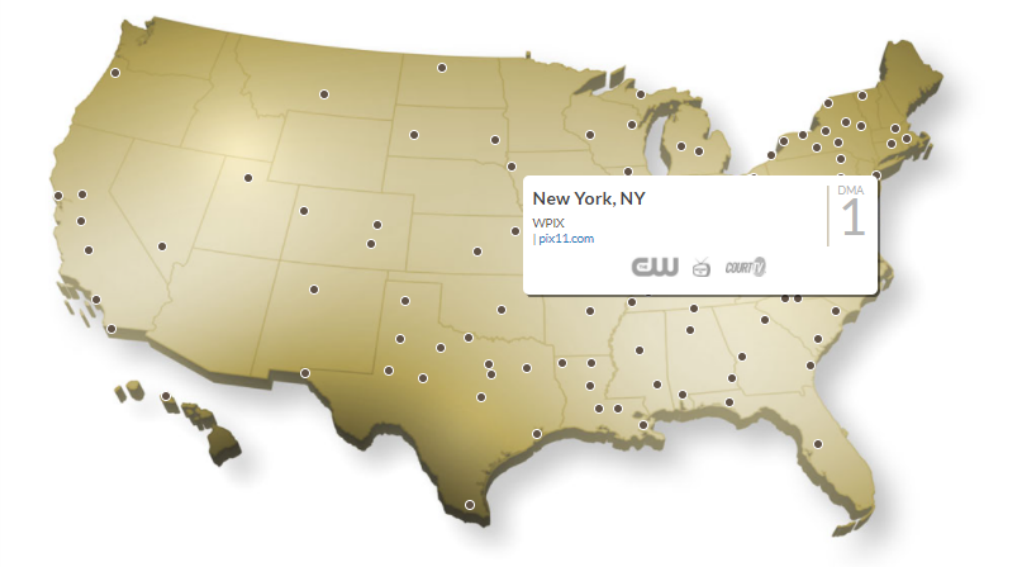
INVESTOR RELATIONS

DIGITAL

CAREERS




STATIONS

Nexstar Media Group, Inc. owns, operates, programs or provides sales and other services to 199 television stations (including partner stations) in 116 markets or more than 68% of all U.S. television households including 120 local web sites and 284 local news and weather mobile apps.



New York, NY

WPIX
| pix11.com



DMA
1

MARKET	RANK(1)	STATUS(2)	STATION	AFFILIATION	WEBSITE	VIRTUAL CH.	DIGITAL CH.
New York, NY	1	MSA	WPIX	CW	pix11.com	11	11
				AntennaTV		11.2	11.2
				CourtTV		11.3	11.3
				TBD		11.4	11.4
Los Angeles, CA	2	O&O	KTLA	CW	ktla.com	5.1	31.1
				AntennaTV		5.2	31.2

EXHIBIT 4



Nexstar Inc. Promotes KRON-TV's Chris McDonnell to Vice President and General Manager of its New York City Operations

February 17, 2021

Accomplished Nexstar Leader with 30 Years of Large Market Broadcast Experience to Oversee WPIX-TV Broadcasting and Digital Operations Under a Local Programming and Marketing Agreement with Mission Broadcasting, Inc.

IRVING, TEXAS and NEW YORK CITY – Nexstar Inc., a wholly owned subsidiary of Nexstar Media Group, Inc. (Nasdaq: NXST), today announced that Chris McDonnell has been promoted to Vice President and General Manager of its New York City operations, overseeing WPIX-TV (CW) and PIX11.com under the terms of a local programming and marketing agreement between Nexstar and WPIX's owner, Mission Broadcasting, Inc. Mr. McDonnell will begin his new duties immediately and report to Tim Busch, Nexstar Inc.'s Broadcast President.

Since 2017, Mr. McDonnell has served as the Vice President and General Manager of KRON-TV, Nexstar's My Network affiliated television station serving the San Francisco, Oakland, and San Jose, CA, area (DMA #6), where he was responsible for the long-term strategy and day-to-day operations of the station's broadcasting, digital, and mobile platforms. During his tenure at KRON-TV, Mr. McDonnell and his team added new hour-long weekday newscasts, including "KRON4 News at 3 p.m." and "KRON4 News at 9 p.m.," significantly expanding KRON-TV's weekly hours of local news and community content in the San Francisco market. Under his leadership, KRON-TV also launched KRONOn.TV, the first local 24-hour digital streaming news application available to Bay Area viewers and users anytime, anywhere, featuring live newscasts, breaking news and feature stories produced exclusively for the app. KRON-TV now produces more than 19 hours of live local news every weekday on its broadcast and digital platforms.

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The efforts of Mr. McDonnell and his team resulted in extraordinary ratings and digital growth at KRON-TV and its related mobile and social media platforms. In the last year, ratings for the station's morning news have increased by 50 percent and ratings for the 10 p.m. newscast have doubled; at KRON4.com, unique visitors are up 56 percent and page views are up nearly 70 percent.

Mr. McDonnell also spearheaded the creation and development of a variety of local sports-related programming currently carried by KRON-TV, including weekly highlight shows devoted to the National Football League's San Francisco 49ers and Oakland Raiders, and the National Basketball Association's Golden State Warriors. In addition, Mr. McDonnell and his team created "KRON4 Salutes," an advertiser-sponsored news segment highlighting the contributions of essential workers during the pandemic.

Before joining KRON-TV, Mr. McDonnell served as the President and General Manager of WSNS-TV (Telemundo) in Chicago, IL (DMA #3), where he previously was Vice President of Sales and Marketing. Prior to WSNS-TV, Mr. McDonnell held various sales management roles at WMAQ-TV (NBC) in Chicago, KXAS-TV (NBC) in Dallas, TX (DMA #5), and KNSD-TV (NBC) in San Diego, CA (DMA #27).

"Chris' proven leadership experience as a general manager in large metropolitan markets, his innovative approach to developing new local content for viewers and digital users, and his results-driven skillsets, make him the ideal candidate to lead our New York City broadcasting and digital operations and oversee our relationship with Mission Broadcasting," said Tim Busch, Nexstar Inc.'s President of Broadcasting. "During his tenure at KRON-TV, Chris not only revitalized the station's broadcast and digital operations, community outreach, and content offerings, he demonstrated a deep understanding and natural talent for developing effective cross-platform marketing solutions for advertisers and community partners. His broadcast track record of high performance over 30 years will serve him well in his new leadership role in New York City and within Nexstar. We look forward to celebrating the successes to come under Chris' leadership working alongside the talented staff at WPIX-TV and PIX11.com."

Commenting on his new role, Mr. McDonnell said, "I am deeply grateful to Nexstar for giving me the unique opportunity to lead our New York City operations and build upon the legacy of WPIX-TV and PIX11.com. As the broadcast home of the Yankees and Mets, with a well-deserved reputation for quality exclusive programming and a strong local news team dedicated to serving the community, WPIX-TV has a great foundation for future growth. I am excited by what lies ahead, and I am looking forward to deepening the presence of WPIX-TV and PIX11.com in the communities we serve in the New York City area."

Mr. McDonnell earned his BA in journalism from Northwestern University's Medill School of Journalism. He is an active participant in industry-related groups and serves as a member of the Board of Directors for

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the California Broadcasters Association. He is also an active member of the Commonwealth Club, a non-profit organization headquartered in San Francisco, dedicated to informing and educating the public about important issues affecting the community.

Mr. McDonnell and his wife, Pamela, have been married 27 years and will be relocating to the New York City area. They have two adult sons, Riley and Colin.

About Nexstar Media Group, Inc.

Nexstar Media Group (NASDAQ: NXST) is a leading diversified media company that leverages localism to bring new services and value to consumers and advertisers through its traditional media, digital and mobile media platforms. Its wholly owned operating subsidiary, Nexstar Inc., consists of three divisions: Broadcasting, Digital, and Networks. The Broadcasting Division operates, programs, or provides sales and other services to 198 television stations and related digital multicast signals reaching 116 markets or approximately 39% of all U.S. television households (reflecting the FCC's UHF discount). The division's portfolio includes primary affiliates of NBC, CBS, ABC, FOX, MyNetworkTV and The CW. The Digital Division operates 122 local websites and 316 mobile apps offering hyper-local content and verticals for consumers and advertisers, allowing audiences to choose where, when, and how they access content and creating new revenue opportunities for the company. The Networks Division operates WGN America, a growing national general entertainment cable network and the home of NewsNation, multicast network Antenna TV, and WGN Radio in Chicago. Nexstar also owns a 31.3% ownership stake in TV Food Network, a top tier cable asset. For more information, please visit www.nexstar.tv.

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Gary Weitman
EVP & Chief Communications Officer
312/222-3394

Investor Contact:

Joseph Jaffoni or Jennifer Neuman
JCIR
212/835-8500 or nxst@jcir.com

[Click here for a PDF version of the release](#) and [here for Mr. McDonnell's headshot](#).